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

2025
INTERIM REPORT

CONTENT

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

AUDIT COMMITTEE

Dr. Wong Yet Ping Ambrose *(Chairman)*
Mr. Zhang Xudong
Mr. Hu Nailian

NOMINATION COMMITTEE

Mr. Hu Nailian *(Chairman)*
Mr. Lyu Xiaozhao
Dr. Shen Zhengchang
Dr. Wong Yet Ping Ambrose
Ms. Yang Yi-fang *(appointed on 30 June 2025)*

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Hu Nailian *(Chairman)*
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

AUTHORISED REPRESENTATIVES

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

COMPANY SECRETARY (HONG KONG)

Mr. Wong Hok Bun Mario *(FCPA)*

REGISTERED OFFICE

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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AUDITOR

Ernst & Young Hua Ming LLP

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WEBSITE

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STOCK CODE

Hong Kong Stock Exchange: 6693
Shanghai Stock Exchange: 600988

PRINCIPAL BANKS

Industrial Bank Co., Ltd. Beijing Shuangjing Branch
China Minsheng Bank Hohhot Branch
China CITIC Bank Chifeng Branch
Industrial and Commercial Bank of
China Chifeng Branch
China Construction Bank Corporation
Chifeng Ninglan Road Sub-branch

BASIC INFORMATION OF THE REPORT

The Board of the Company is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2024. The unaudited consolidated interim results of the Group have been reviewed by the Audit Committee.

The following unaudited consolidated financial information was prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises ("**ASBE**") issued by the Ministry of Finance of the PRC ("**MOF**"), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as "**CAS**").

The future operation and financial figures (if any) in this report are goals of the Company and shall not constitute a profit forecast of the Company. There is no guarantee that the Company will achieve such goals. In light of the risks and uncertainties, the inclusion of forward-looking statements in this report should not be regarded as nor does it constitute any representations or commitments by the Board or the Company to investors that the plans and objectives outlined in this report will be achieved, and investors should not place undue reliance on such statements. The Company does not undertake any obligations to update or revise any forward-looking statements or information in this report, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws and regulations.

This report is written in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.

Any discrepancies between the last digits of the total number and those of the sum of individual items in this report are mainly due to rounding.

MANAGEMENT DISCUSSION AND ANALYSIS

UPDATE TO RESOURCES AND RESERVES

On 7 August 2025, the Company announced the first Mineral Resources estimate for the SND Gold-Copper Project, a new discovery within the Sepon Mine in Laos.

Mineralisation of the new discovery area was confirmed by the LXML Sepon Exploration Department in December 2024.

The Sepon exploration team commenced exploration reconnaissance work at the regional concession area in May 2024, started diamond drilling on 3 December 2024, and phase 1 drilling campaign was completed in late June 2025. 65 holes involved in the resources estimate were drilled for a total of 35,460m. SRK Consulting (China) Limited ("**SRK**"), an internationally recognized mining and resource consultancy firm, compiled a Mineral Resources estimate on 7 August 2025 after completion of geological modelling and resources estimate. The Sepon exploration delivered this new discovery from reconnaissance to block modelling and JORC reports within a period of 14 months.

Sepon Mine is located in south-central Laos, situated about 180km east of Savannakhet Province and about 24km northeast of the Sepon township.

The new Mineral Resources estimations are based primarily on data from phase 1 drilling campaign completed up to late June 2025.

SND Project, Sepon, LXML, Resources as at 30 June 2025

		Average Grade			Contained Metal				
	Tonnage	AuEq	Au	Cu	AuEq		Au		Cu
	(Mt)	(g/t)	(g/t)	(%)	(t)	(Moz)	(t)	(Moz)	(kt)
Indicated	93.7	0.86	0.57	0.27	80.4	2.58	53.2	1.71	250
Inferred	37.8	0.7	0.46	0.22	26.5	0.86	17.5	0.56	83
Total	131.5	0.81	0.54	0.25	106.9	3.44	70.7	2.27	332

Notes:

1. Mineral Resources are reported based on in-situ resources. The results of the estimate are used solely for the purpose of testing the conditions to have a "reasonable prospects for eventual economic extraction" by underground mining and do not represent the Mineral Reserves.

2. All figures are rounded to reflect the relative accuracy of the estimate. The insignificant differences are due to rounding.

A further update of the Mineral Resources for the new discovery will be announced following the completion of phase 2 drilling campaign and updated Mineral Resources estimations, scheduled for the first quarter of 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

As of 30 June 2025, SRK considered that the SND project might adopt the caving mining method for underground extraction in the future and only reported the Mineral Resources using the cut-off grade. SRK reported the Mineral Resources, under a cutoff grade of 0.40 g/t AuEq, there are 93.7Mt of Indicated Mineral Resources at an average grade of 0.57g/t Au and 0.27% Cu; and 37.8Mt of Inferred Mineral Resources at an average grade of 0.46g/t Au and 0.22% Cu.

Basic assumptions used for the Mineral Resources estimation:

Gold price	US$3,100 per oz
Copper price	US$11,000 per tonne
Equivalent factor (Cu to Au)	1.1 Cu: 1 Au
AuEq cut-off grade	0.4g/t

Sighter metallurgical test program has been conducted by LXML on SND ore. Metallurgical test work shows that the ore is of medium-hardness, amenable to flotation, with an overall gold recovery rate (by flotation and tailings cyanidation) of 88% and a copper recovery of up to 88.5%.

The information in this report which relates to Mineral Resources is based on information compiled by Ms. Yanfang Zhao and Mr. Pengfei Xiao who are full-time employees of SRK. Ms. Yanfang Zhao is a member of the AusIMM and Mr. Pengfei Xiao is a fellow of the AusIMM and a member of the Australian Institute of Geoscientists ("**AIG**"). In terms of the types of mineralisation and ore deposits involved, as well as the related work carried out, both of them have sufficient experience and are capable of meeting the requirements of the Competent Persons as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", the JORC Code. Ms. Yanfang Zhao and Mr. Pengfei Xiao have consented to the disclosure of this information in the form and context in which it appears.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION DISCUSSION AND ANALYSIS

Performance review

In the first half of 2025, the Company maintained a stable financial performance. The operating income amounted to RMB5.272 billion, representing a growth of 25.64%. The net profit attributable to shareholders of the listed Company reached RMB1.107 billion, reflecting a 55.79% increase compared to the same period in the previous year. The net cash flow generated from operating activities stood at RMB1.613 billion, marking a 12.39% increase compared to the corresponding period last year, which indicates a notable improvement in financial performance. As of the end of the Reporting Period, the Company's gearing ratio was 37.19%, a decrease of 10.06 percentage points from the beginning of the year.

The growth in the Company's performance is primarily driven by the year-on-year increase in the price of gold products. During the first half of 2025, gold prices surged repeatedly reaching historic highs. By the end of June, the spot price of gold in London had increased by 24.31% compared to the beginning of the year, while the closing price of Au9999 gold on the Shanghai Gold Exchange had risen by 24.50% compared to the opening price at the beginning of the year. Meanwhile, in response to the ongoing rise in production costs across the industry, the Company has continued to intensify its efforts in cost reduction and expense control, strictly managing non-productive expenditures and effectively maintaining control over production costs.

The Company is committed to achieving high-quality, sustainable development over the medium to long term by continuously increasing investments in resource exploration and development, production infrastructure, and technological upgrades. At the same time, it actively capitalizes on favorable conditions in the gold price cycle, optimizing short-term production strategies and enhancing resource utilization efficiency by increasing the processing volume of low-grade ores. Although the output of certain mines was temporarily affected during the first half of the year due to factors such as decline in ore grade caused by the increased processing of low-grade ores in tunneling projects, as well as the early arrival of the rainy season impacting mining operations at overseas sites. This is attributed to the dynamic optimization of ore grades across mining areas in response to external conditions, along with enhanced operational environments and the progressive implementation of technological transformation initiatives. As a result, the Company expects its future growth potential to be progressively realized.

Globalization and capital market expansion

The Company has achieved a significant milestone in advancing its international capital market strategy. In August 2024, the Company submitted an application for listing on the Stock Exchange. During the first half of 2025, the Company prioritized the promotion of its Hong Kong listing and successfully listed and commenced trading in its H Shares on the Main Board on 10 March 2025. The Hong Kong listing represented the Company's most critical strategic objective during this period. This achievement not only broadens the Company's access to international financing channels but also enhances its equity structure, providing strong impetus for the subsequent development and capacity expansion of domestic and overseas mining operations, thereby ushering the Company into a new strategic phase of growth.

MANAGEMENT DISCUSSION AND ANALYSIS

This global offering of H shares raised a net amount of approximately HK$3.1 billion (including over-allotment shares). The Hong Kong listing demonstrates the strong recognition and confidence of the global capital market in the Company's strategy of "gold as the main focus and global layout". This milestone not only provides substantial financial support to the Company but also significantly enhances its international reputation and credibility, thereby laying a solid foundation for future overseas resource allocation, international collaboration, and the advancement of its global strategy.

The Company will continue to leverage the capital market as a "booster" to accelerate the implementation of domestic and overseas mine capacity expansion, technological upgrading, and resource reserve enhancement projects, thereby gradually achieving a virtuous cycle of resource reserve growth, capacity improvement, and operational efficiency optimization.

Resource exploration and capacity development

The Company steadfastly adheres to the "gold-oriented" development strategy, simultaneously advancing in three key areas – resources, reserves, and production capacity – to establish a scale advantage and form a solid foundation for its core gold business. It has significantly increased investment in the exploration and development of both domestic and overseas mines, clearly identifying priority exploration zones, engineering arrangements, and reserve enhancement targets. This approach promotes the dual growth of resource volume and reserves, while continuously reinforcing the foundation of production capacity. All subsidiaries of the Company uphold the principle of "mining and excavation proceeding concurrently, with excavation taking precedence", intensifying geological exploration efforts and mineral prospecting in underground and peripheral areas, achieving notable outcomes. Following its successful listing in Hong Kong, the Company swiftly expedited the exploration of domestic and overseas mining opportunities, implemented technological upgrades, and advanced new project developments, thereby unlocking production potential, ensuring stable production capacity, and gradually realizing the benefits derived from listing and fundraising activities.

The Company has achieved phased outcomes in resource assessment for key overseas projects, including the Sepon Mine. Notably, LXML made a significant breakthrough in the initial phase of resource exploration at the Sepon Mine, which was completed by the end of June. In the SND project, a large-scale porphyry gold and copper ore body was identified for the first time. The initial proven resource volume amounts to 131.5 million tonnes, with a gold equivalent grade of 0.81 g/t AuEq and a gold equivalent metal content of 106.9 tonnes, establishing a solid foundation for future large-scale development. At the GSWL project, underground production drilling has completed a total of 33,000 meters, open-pit grade control drilling has reached 35,000 meters, and the full-mine construction drilling program has accumulated 119,000 meters. These efforts have effectively minimized potential inefficiencies in future development phases and significantly enhanced resource utilization efficiency. Deep drilling operations for the current year have been completed as scheduled, with core analysis expected to be finalized in the second half of the year, followed by the initiation of a feasibility study on deep mining.

MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the capacity expansion plans of its domestic mining subsidiaries, the Company is systematically advancing the technological upgrading, expansion, and capacity enhancement of multiple domestic mines, thereby further strengthening its sustainable development capabilities and core competitiveness. During the Reporting Period, Jilong Mining completed 9,143 meters of in-pit drilling and 11,597 meters of surface drilling, totaling 20,740 meters. Industrial ore bodies were identified in multiple sub-deposits in the deep underground area, and promising ore body results were also obtained at several peripheral exploration sites, providing a solid resource foundation for future development. Following the completion of the deep expansion of one mining right, exploration activities will continue in both the peripheral and deep underground zones based on existing exploration achievements. Wulong Mining has achieved significant progress in key mineral exploration and resource reserve enhancement projects, completing a total of 12,560 meters of underground exploration and 8,360 meters of deep-hole drilling within the pit. The Company will continue to accelerate the integration of mining rights and has already obtained new exploration permits covering an area of 1.0705 square kilometers, further expanding its area of exploration.

Advancement of key engineering and technological transformation projects

During the Reporting Period, the Company's key new construction and technological transformation projects at its domestic and overseas mines progressed smoothly across production stages such as mining and mineral processing.

Jilong Mining: As of the reporting date, the upgrading and renovation of Shaft No. 27 has been completed. The remaining blind shaft projects, the first phase of the Xinglong Mine development, the optimization of beneficiation processes, and the renovation of the smelting facility have all commenced in accordance with the planned schedule.

Wulong Mining: In terms of efficiency improvement, the monthly footage achieved across multiple mining faces has exceeded 200 meters, effectively supporting the progress of key projects. Wulong Mining has collaborated with research institutions to conduct studies on mining methodologies, continuously refining operational processes in alignment with on-site conditions to enhance both mining efficiency and safety standards. In the production process, the filter press workshop within the beneficiation plant has undergone renovation, resulting in a stable increase in processing capacity to 3,000 tonnes per day. Concurrently, the construction of the new tailings storage facility is progressing steadily.

Hanfeng Mining: The design phase for the expansion and renovation project of the existing beneficiation plant at Dongfeng Molybdenum Mine has officially commenced. Additionally, the expansion of the Lishan tailings pond, the construction of the filling system, as well as the development of substations and transmission lines, are all advancing in accordance with the planned schedule.

Huatai Mining: The feasibility study report for the resumption project of the first mining area (Third mining area) has been completed. The extension of mining rights is progressing in accordance with the planned schedule. Infrastructure construction for the 30,000-tonne-per-year underground mining expansion project in the fifth mining area is being carried out in a systematic and orderly manner.

Jintai Mining: The first phase of the project is advancing smoothly and is expected to complete mining operations by the end of the year. The second phase of the project has completed the necessary investigation, as well as the transition from exploration to mining. Upon completion of the preliminary procedures, the project will proceed to the development and construction stage.

MANAGEMENT DISCUSSION AND ANALYSIS

LXML: Through the continuous optimization of operations and management, significant accomplishments were achieved during the period. The open-pit mining project at Khanong Copper Mine commenced construction. By introducing high-quality domestic and international contractors, capital expenditures and operational risks were effectively mitigated, and overall operational efficiency was enhanced. The flotation column technical upgrading project has been successfully commissioned. Furthermore, a new gold extraction process, independently developed in the field of refractory gold ore processing, has been granted an invention patent by the China National Intellectual Property Administration, providing core technological support for improving resource utilization efficiency and enhancing profitability.

GSWL: Through business restructuring and technological enhancements, GSWL has gradually established a solid foundation for stable production and increased output. The development of the F-Shoot new area within the main geological mining zone is accelerating, while four new open-pit mining sites have been added in the Benso section of the central mining area. The filling system has been successfully restored to operation and is expected to reach full capacity by the third quarter, ensuring the continuity and efficiency of mining operations. The updated feasibility study and drainage design for the Father Brown open-pit to underground mining transition project have been completed. It is planned to commence the drainage and surface infrastructure rehabilitation in the second half of the year, with the objective of initiating underground mining development by the end of year. Additionally, the upgrade of the concentrator's legacy system is progressing steadily. The contracts for the new leaching tank installation and electrolysis system modernization have been finalized, and the crusher system upgrade project has entered the bidding phase, setting the stage for improved concentrator capacity and operational efficiency.

Workplace safety and sustainable development

During the Reporting Period, the Company has consistently upheld the principle of "safety first and green development", with a strategic focus on three key areas: standardization of safety production, deepening efforts in energy conservation and consumption reduction, and the promotion of clean energy substitution. The Company has rigorously implemented the safety production responsibility system and complied with environmental protection requirements. Through systematic capacity building, it has continuously enhanced its ability to predict and control risks, as well as improved its level of refined management. Significant progress has been made in ESG performance. The Company's MSCI ESG rating was upgraded from "CCC" to "B", and its S&P CSA (S&P Global Corporate Sustainability Assessment) score reached 40 points – both representing first-time achievements and setting new benchmarks.

Further enhance the hierarchical safety training system, optimize the hidden danger investigation mechanism characterized by "full participation and closed-loop management", prevent safety risks at the source, promote the digitalization, automation, and intelligent upgrading of the production system, and improve safety control efficiency and the level of green production through technological empowerment.

To achieve the long-term objectives of peaking carbon emissions by 2030 and attaining carbon neutrality by 2055, the Company is actively enhancing its ESG performance within the context of global sustainable development. This includes identifying underperforming areas through categorized and cyclical benchmarking, and developing and implementing short, medium, and long-term improvement plans. The Company is also strengthening the development of ecological and intelligent mining operations by introducing advanced information technologies and automated equipment. Furthermore, it is exploring carbon reduction pathways specific to each mining region, increasing the utilization of clean and renewable energy sources, and implementing measures aimed at energy conservation and consumption reduction.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of employee care, the Company has integrated employee well-being into its core management strategy. During the first half of this year, the Company implemented a standardization upgrade of the mine canteen, initiated the development of logistics support facilities such as a reading area, and organized diverse cultural activities including photography exhibitions and English corners. Through the establishment of a dynamic tracking and feedback mechanism, the physical and mental health of employees was effectively safeguarded, thereby enhancing employees' sense of belonging and strengthening team cohesion.

The Company has also actively engaged in the development of the local community where the mines are located. It supported education, sports, and public welfare initiatives, promoting collaborative community development and shared benefits. These efforts demonstrate the Company's ongoing commitment to fulfilling its social responsibilities.

Internal control and risk management

After the Company became a dual-listed company on both the A-share and H-share markets, the requirements for compliance and internal control have been further strengthened. The Company continuously enhances its audit system, improves institutional frameworks, and elevates internal control standards through transparent process management. During the Reporting Period, the Company reinforced comprehensive planning across procurement, logistics, sales, and other key areas, promoting synergies and efficiency improvements within both the global and regional supply chains. Leveraging information technology and refined management practices, the Company has enhanced managerial precision and process transparency. In the first half of the year, the global supply chain center participated in 32 major domestic procurement projects, which are projected to yield cost savings of nearly RMB10 million. By integrating annual bidding and procurement processes for key materials domestically and internationally, the proportion of centralized procurement from overseas mines has steadily increased. This has led to the formation of a scale effect in centralized procurement of bulk materials and the establishment of a high-quality supplier network, both of which have become integral components of the Company's internal control system.

Meanwhile, the Company has further enhanced the performance standards across its global business units to ensure data accuracy, process compliance, and transparent decision-making. A standardized mechanism for contractor management, including access control, performance evaluation, and auditing procedures, is planned for implementation to ensure that all partners adhere to the Company's requirements regarding safety, environmental protection, and regulatory compliance. Additionally, the Company has reinforced its information security awareness and management framework. Through robust systems, targeted training programs, and advanced technical measures, it ensures the security of data and the integrity of its information systems, thereby providing comprehensive support for operational stability and risk mitigation.

During the Reporting Period, the primary risk factors identified by the Company included fluctuations in gold prices, risks related to the fluctuation of exchange rate, policy and compliance risks, as well as risks associated with production safety, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

Development of the gold industry during the Reporting Period

In the first half of 2025, the global economy is expected to continue facing a range of challenges. The interplay between geopolitical tensions and monetary policy adjustments in major economies will likely exert ongoing pressure on the development of the global mining industry.

Gold, as a strategic asset possessing both commodity and financial attributes, not only plays an indispensable role in safeguarding national financial stability and economic security, but also demonstrates enhanced safe-haven and reliability characteristics in times of market volatility.

According to the "Mineral Commodity Summaries 2025" published by the United States Geological Survey (USGS) in January 2025, Australia and Russia possess the largest gold reserves globally, followed by South Africa, Indonesia, and Canada. Collectively, these five countries account for 56% of the world's gold reserves. Global gold mine production in 2024 reached approximately 3,300 metric tonnes, representing an increase of only 1.5%. China, Russia, Australia, Canada, and the United States continue to be the top five gold-producing countries, contributing 41% of the global output. Currently, the gold supply chain is encountering structural constraints, including inadequate investment in new mine development and limited supply elasticity. Meanwhile, many existing mines face challenges such as declining ore grades, outdated equipment, rising operational costs, and increasing compliance pressures related to environmental regulations. According to the "Gold Focus 2025" report issued by Metals Focus in June 2025, a leading metals consulting firm, global gold supply is projected to grow by only 1% in 2025, which is unlikely to keep pace with the steadily rising global demand.

China continues to maintain its leading position in the global gold market. According to data released by the China Gold Association, China's mineral gold output reached 377 tonnes in 2024, marking its position as the global leader for 18 consecutive years. Gold consumption amounted to 985 tonnes, representing the 12th consecutive year of global leadership. In the first half of 2025, domestic raw material gold production totaled 179.083 tonnes, reflecting a slight decline of 0.31%. Meanwhile, gold production derived from imported raw materials reached 76.678 tonnes, showing an increase of 2.29% compared to the previous year. When including gold production from imported raw materials, the total national gold output in the first half of 2025 amounted to 252.761 tonnes, rising by 0.44% and maintaining the same level as the previous year.

The strategic demand for gold by global central banks remains robust. According to the World Gold Council's "2025 Global Central Bank Gold Reserves Survey" (CBGR), 95% of the surveyed central banks anticipate continuing to increase their gold reserves within the next 12 months—a record high since the survey began. Furthermore, global central banks have purchased more than 1,000 tonnes of gold annually for three consecutive years, a volume that is twice the average level recorded during the previous decade. This underscores the critical role of gold as a strategic reserve asset. The Council's "Global Gold Demand Trends Q2 2025 Report" also indicates that total global gold demand reached 2,423 tonnes in the first half of 2025, reflecting an approximate 3% year-on-year increase. This growing demand is closely linked to gold's recognized safe-haven and value preservation attributes in the context of rising economic and geopolitical uncertainties.

Meanwhile, underpinned by a tight supply-demand balance and sustained robust demand, the gold price in US dollar terms demonstrated significant strength. By the end of the Reporting Period, it had increased by approximately 26%, and in between, reached a historical high of approximate US$3,500 per ounce in April.

MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR OPERATING CONDITIONS DURING THE REPORTING PERIOD

In the first half of 2025, the Group recorded operating income from the principal business of RMB5,260.6110 million, among which, the mining segment produced 6.75 tonnes of mined gold, representing a decrease of 10.56% as compared to the same period last year, and 2.8 thousand tonnes of copper cathodes, representing an increase of 4.65% as compared to the same period last year. This segment recorded operating income from its principal business of RMB5,135.0293 million, accounting for 97.61% of the Group's operating income from its principal business. As at the end of the Reporting Period, the Group's total assets were RMB23,167.9415 million, and the net assets attributable to Shareholders of the parent company were RMB11,606.4449 million, representing an increase of 13.97% and 46.61% respectively, as compared to the end of last year.

(I) Analysis on Principal Business

1. Analysis of the changes in relevant items in the statement of profit or loss and cash flow

Unit: Yuan Currency: RMB

Items	**Amount for the current period**	Amount for the same period last year	Percentage of change *(%)*
Operating income	**5,272,037,612.96**	4,196,136,846.89	25.64
Operating costs	**2,736,099,202.63**	2,538,536,507.29	7.78
Selling expenses	**190,444.16**	249,804.58	-23.76
Administrative expenses	**255,371,763.84**	218,049,986.72	17.12
Finance expenses	**37,419,700.15**	76,668,660.70	-51.19
Research and development expenses	**41,015,532.65**	33,638,596.34	21.93
Net cash flows from operating activities	**1,612,731,602.56**	1,434,993,255.17	12.39
Net cash outflows used in investing activities	**-865,457,832.42**	-311,916,915.25	N/A
Net cash flows from/(used in) financing activities	**1,846,249,384.88**	-224,074,755.15	N/A

(1) Operating income increased compared to the same period last year primarily due to the rise in gold selling price;

(2) Operating costs increased compared to the same period last year mainly due to the increase in copper cathode sales volume and unit selling costs;

(3) Selling expenses decreased compared to the same period last year mainly due to a reduction in material consumption costs and travel expenses;

MANAGEMENT DISCUSSION AND ANALYSIS

(4) Administrative expenses increased compared to the same period last year mainly due to an increase in the Group's labour expenses and share-based payment expenses;

(5) Net finance expenses decreased compared to the same period last year primarily due to the finance expenses decreased the improvement in the Group's operating cash flow where extra cash was used to prepaid bank loans. Increase in interest income was resulted from increase in cash equivalent;

(6) Research and development expenses increased compared to the same period last year mainly due to the increasing investment in research and development by Wulong Mining and LXML;

(7) The increase in net cash flows from operating activities was mainly due to the rise in sales price of mined gold, which led to an increase in proceeds from sales during the current period;

(8) The increase in the net cash outflows used in investing activities was mainly due to the combined impact from the recoup of about RMB453 million investment from the disposal of equity investment during the same period last year, coupled with an increase in capital expenditures during this period;

(9) The increase in net cash inflows from financing activities was mainly due to the combined impact from the proceeds from the listing in the Hong Kong Stock Exchange, coupled with a significant decrease in net debt during the current period.

2. *Operating Income and Operating Costs Analysis*

(1) Principal business by sector, product and region

Unit: Yuan Currency: RMB

Analysis of the principal business by sector

By sector	Operating income	Operating costs	Gross profit margin *(%)*	Change in operating income as compared to the same period last year *(%)*	Change in operating costs as compared to the same period last year *(%)*	Change in gross profit margin as compared to the same period last year
Mining sector	5,135,029,310.04	2,620,094,077.97	48.98	26.32	8.19	Increased by 8.55pp
Comprehensive resource recycling and utilization	125,581,727.73	105,864,014.91	15.70	6.43	-1.29	Increased by 6.60pp

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of the principal business by product

By product	Operating income	Operating costs	Gross profit margin (%)	Change in operating income as compared to the same period last year (%)	Change in operating costs as compared to the same period last year (%)	Change in gross profit margin as compared to the same period last year
Mined gold	4,746,306,119.19	2,158,406,607.22	54.52	26.29	-0.32	Increased by 12.14pp
Copper cathode	198,148,299.50	318,933,544.24	-60.96	14.99	106.18	Decreased by 71.19pp
Copper concentrate powder	22,960,863.60	5,762,379.39	74.90	266.48	45.95	Increased by 37.92pp
Lead concentrate powder	19,410,482.79	8,889,020.40	54.21	-3.01	6.07	Decreased by 3.92pp
Zinc concentrate powder	59,364,285.22	43,204,879.06	27.22	49.83	33.18	Increased by 9.10pp
Molybdenum concentrate powder	37,923,719.11	25,675,558.08	32.30	-41.69	-53.22	Increased by 16.70pp
Rare earth products	50,915,540.63	59,222,089.58	-16.31	N/A	N/A	N/A
Others (Disassembly of electronic products)	125,581,727.73	105,864,014.91	15.70	6.43	-1.29	Increased by 6.60pp

Analysis of the principal business by region

By region	Operating income	Operating costs	Gross profit margin (%)	Change in operating income as compared to the same period last year (%)	Change in operating costs as compared to the same period last year (%)	Change in gross profit margin as compared to the same period last year
Domestic regions	1,339,624,532.38	454,260,704.72	66.09	21.44	-5.50	Increased by 9.67pp
Overseas regions	3,920,986,505.39	2,271,697,388.16	42.06	27.30	10.91	Increased by 8.56pp

Approximately 74.53% of the Company's operating income from its principle activities is derived from overseas mining operations.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Analysis of Production and Sales Volume

Major products	Unit	Production volume	Sales volume	Unit selling price	Change in production volume as compared to the same period last year *(%)*	Change in sales volume as compared to the same period last year *(%)*	Change in unit selling price as compared to the same period last year *(%)*
Mined gold	kg	6,754.34	6,764.89	699.95 RMB/gram	-10.56	-10.91	41.42
Copper cathode	tonne	2,798.45	2,842.12	69,718.53 RMB/tonne	4.65	5.13	9.38
Copper concentrate powder	tonne	1,187.64	1,115.14	20,590.08 RMB/tonne	39.76	60.69	128.07
Lead concentrate powder	tonne	1,847.70	1,701.54	11,407.57 RMB/tonne	24.82	12.95	-14.13
Zinc concentrate powder	tonne	11,419.44	8,311.48	7,142.44 RMB/tonne	90.93	45.77	2.78
Molybdenum concentrate powder	tonne	344.93	298.49	127,051.04 RMB/tonne	7.70	-37.51	-6.69
Rare earth products	tonne	447.88	298.28	170,695.13 RMB/tonne	N/A	N/A	N/A

(3) Analysis of Unit Operating Costs and Gross Profit Margin

Unit: Yuan Currency: RMB

Items		Unit operating costs			Gross profit margin *(%)*	
Name of the product	Unit	Current period	Previous period	Percentage of change *(%)*	Current period	Previous period
Mined gold	RMB/gram	319.06	285.17	11.88	54.52	42.38
Copper cathode	RMB/tonne	112,216.86	57,218.26	96.12	-60.96	10.23
Copper concentrate powder	RMB/tonne	5,167.40	5,689.04	-9.17	74.90	36.98
Lead concentrate powder	RMB/tonne	5,224.09	5,562.89	-6.09	54.21	58.13
Zinc concentrate powder	RMB/tonne	5,198.22	5,689.91	-8.64	27.22	18.12
Molybdenum concentrate powder	RMB/tonne	86,017.58	114,917.04	-25.15	32.30	15.60
Rare earth products	RMB/tonne	198,542.96	–	N/A	-16.31	N/A
Overall gross profit margin *(Note)*					48.10	39.50

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

MANAGEMENT DISCUSSION AND ANALYSIS

(4) Analysis of the Unit Cost of Mined Gold

Items	Unit cost for the current period		Unit cost for the previous period		Percentage of change	
	Operating costs	All-in sustaining cost	Operating costs	All-in sustaining cost	Change in operating costs as compared to the same period last year (%)	All-in sustaining cost change as compared to the same period last year (%)
Mined gold (RMB/gram)	319.06	355.41	285.44	264.67	11.78	34.28

Note 1: Operating costs refers to the cost of goods sold stated in the income statement. All-in sustaining cost comprises of direct cash cost, selling expenses, administrative expenses plus taxes and surcharges as well as sustaining capital expenditure.

Note 2: The exchange rate of USD to RMB used in the current period and the previous period is USD1: RMB7.1839 and USD1: RMB7.1051, respectively.

	Unit cost for the current period		Unit cost for the previous period		Percentage of change	
	Operating costs	All-in sustaining cost	Operating costs	All-in sustaining cost	Change in operating costs as compared to the same period last year (%)	All-in sustaining cost change as compared to the same period last year (%)
Domestic mines (RMB/gram)	179.92	271.42	168.96	227.96	6.49	19.06
LXML (USD/oz)	1,432.58	1,527.67	1,489.75	1,225.85	-3.84	24.62
GSWL (USD/oz)	1,702.61	1,788.09	1,290.82	1,177.80	31.90	51.82

Note: The unit cost for GSWL during the first half of 2025 has increased significantly compared to the same period last year, primarily due to the following reasons: First, the rise in gold prices during the first half of 2025 led to an increase in operating income. Additionally, the growth and sustainability levy tax rate increased from 1% to 3% since April 2025. The combined effect of the tax calculation base and higher tax rate resulted in an increase in resources tax and growth and sustainability levy. Second, GSWL had access to more operating chambers in the first half of 2025. To ensure annual ore output, preliminary investments were increased. Consequently, operating costs such as drilling, tunneling and mining rose accordingly. Third, a decline in the grade of ore processed, coupled with the early arrival of the rainy season, led to a decrease in gold produced and sold.

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. Non-recurring gains or losses items and amounts

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2025 (unaudited)
Gains or losses from disposal of non-current assets, including the write-off of the provision for impairment of assets	**142,132.35**
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	**842,381.79**
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	**(124,661.93)**
Reversal of impairment provision for trade receivables that had an impairment test individually	**187,539.20**
Non-operating income and expenses rather than those mentioned above	**(6,578,469.75)**
Other profit or loss items within the definition of non-recurring profit and loss	**468,207.63**
Subtotal	**(5,062,870.71)**
Less: Effect of income tax	**318,426.12**
Impact on minority interests (after tax)	**(374,301.46)**
Total	**(5,006,995.37)**

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Items measured at fair value*

Unit: Yuan Currency: RMB

Items	**Balance at the beginning of the period**	**Balance at the end of the period**	**Current Change**	**Impact on the current profit**
Financial assets held for trading	9,998,984.68	9,830,003.47	(168,981.21)	(124,661.93)
Derivative financial instruments	5,251,800.00	3,423,743.62	(1,828,056.38)	43,742,876.86
Financial liabilities held for trading	707,020,000.00	–	(707,020,000.00)	(84,347,825.38)

3. *Key financial ratios*

Financial Ratios	**As at 30 June 2025**	As at 31 December 2024	**Change for the current period over the end of last year**	**Reasons for change**
Current ratio *(note 1)*	**247.77%**	158.09%	Increase by 89.68 pp	The increase of the company's own funds and the proceeds from listing in the Hong Kong Stock Exchange
Quick ratio *(note 2)*	**165.45%**	88.56%	Increase by 76.89 pp	The increase of the company's own funds and the proceeds from listing in the Hong Kong Stock Exchange
Gearing ratio *(note 3)*	**37.19%**	47.25%	Decrease by 10.06 pp	The decrease in the scale of the debt and the increase in the scale of assets

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

4. *Liquidity and Financial Resources*

As at 30 June 2025, the Group had cash and bank balances of RMB5,125 million (as at 31 December 2024: RMB2,747 million).

As at 30 June 2025, the Group had interest-bearing bank liabilities of RMB1,680 million (as at 31 December 2024: RMB2,697 million), of which the interest-bearing bank liabilities due within one year amounted to RMB1,525 million (as at 31 December 2024: RMB2,097 million); the interest-bearing bank liabilities due within one to two years amounted to RMB140 million (as at 31 December 2024: RMB380 million); the interest-bearing bank liabilities due within two to five years amounted to RMB15 million (as at 31 December 2024: RMB220 million).

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

Short-term borrowings: As at 30 June 2025, the short-term borrowings amounted to RMB1,172 million at an interest rate ranging from 2.35% to 3.20% per annum (as at 31 December 2024: RMB1,108 million, an interest rate ranging from 2.35% to 5.70% 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 period-end balance of liabilities from gold leasing represents the fair value of gold borrowed from banks as at the balance sheet date. As at 30 June 2025, the amount of financial liabilities at fair value through profit or loss was nil (as at 31 December 2024: RMB707 million).

Long-term borrowings (including long-term borrowings due within one year): As at 30 June 2025, the long-term borrowings amounted to RMB508 million at an interest rate ranging from 2.70% to 5.57% per annum (as at 31 December 2024: RMB882 million at an interest rate of 3.20% to 5.69% per annum).

For the six months ended 30 June 2025, the Group financed its operations through equity financing, bank loans and internally generated cash flows. The Group pursues a prudent treasury management policy and actively manages 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

5. *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 gold mining and rare earth mining subsidiaries are respectively USD and RMB. Some of the Group's assets are located in Laos and Ghana. The operating costs and expenses of overseas subsidiaries are, in some cases, denominated in local currencies and therefore the Group is exposed to fluctuations in the USD, KIP and GHC. In addition, as the presentation currency of the Group is RMB, the financial reporting amounts of the overseas subsidiaries, whose functional currency is USD 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 GHC received from the Bank of Ghana or KIP and GHC converted from USD operating incomes for the Group's operating and capital expenditures at short notice to keep our local currency cash at a minimum level. The Group continuously monitors its exposure to foreign currency exchange risk.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis of Assets and Liabilities

1. *Assets and liabilities*

Unit: Yuan Currency: RMB

Items	Closing balance at the end of the reporting period	Proportion to total assets at the end of the reporting period *(%)*	Closing balance at the end of 2024	Proportion to total assets at the end of 2024 *(%)*	Change of the closing balance *(%)*	Explanations
Cash and bank balances	5,125,312,017.64	22.12	2,747,442,442.93	13.52	86.55	Cash equivalent of the Group increased during the current period due to the inflow of free cash flow and the proceeds from the listing in the Hong Kong Stock Exchange.
Trade receivables	558,458,334.08	2.41	587,165,738.54	2.89	-4.89	The receipt of the receivables from customers increased during the current period.
Prepayments	180,278,026.83	0.78	276,484,571.30	1.36	-34.80	The consolidation of rare earth business to the Group beginning in the current period.
Construction in progress	1,171,292,284.79	5.06	677,866,937.65	3.33	72.79	Investment in production expansion projects for the period increased
Other non-current assets	146,776,772.91	0.63	206,516,336.78	1.02	-28.93	The rare earth business is combined in the Group during the current period.
Financial liabilities held for trading	–	–	707,020,000.00	3.48	-100	The gold leases under the previous model were all repaid by the end of the current period. The new gold leasings were all hedged by the banks and recognized in "Short-term borrowings".
Employee benefits payable	102,946,509.43	0.44	171,273,575.15	0.84	-39.89	The Group paid the accrued salary and bonus.
Other payables	433,427,052.67	1.87	225,263,620.79	1.11	92.41	The Company received the funds from Phase III Employee Stock Ownership Plan and the vesting criteria have not been met by the end of this period.
Long-term borrowings	154,970,934.95	0.67	599,502,985.86	2.95	-74.15	Part of long-term borrowings were prepaid.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Overseas assets*

(1) Asset Size

Overseas assets were RMB15,371.2261 million, accounting for 66.35% of total assets.

(2) Relevant explanations on the overseas assets with a relatively large proportion

Unit: ten thousands Yuan Currency: RMB

Name of overseas assets	Initial recognition	Operational model	Operating income for the Reporting Period	Net profit/ (loss) for the Reporting Period
LXML	Merger and acquisition	Self-operation	236,773.21	56,818.99
Golden Star Resources	Merger and acquisition	Self-operation	150,320.30	15,851.99
Chixia Mining	Merger and acquisition	Self-operation	4,773.11	(1,578.81)

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

Unit: Yuan Currency: RMB

Item	Carrying amount at the end of the period	Reasons for restriction
Cash and bank balances	25,201,736.55	Note 1
Other current assets	10,159,699.88	Note 2
Other non-current assets	120,269,577.13	Note 3
Fixed assets	205,393,517.22	Note 4
Total	361,024,530.78	/

Note 1: As at 30 June 2025, the Group's cash and bank balances restricted from being used was RMB25,201,736.55, listed under "Other Monetary Fund". Among them, RMB14,592,906.03 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; RMB10,608,830.52 is the bank deposit for handling gold leasing business;.

Note 2: As at 30 June 2025, other current assets of the Group restricted from being used amounted to RMB10,159,699.88, with the restriction due to futures margin occupation.

MANAGEMENT DISCUSSION AND ANALYSIS

Note 3: As at 30 June 2025, other non-current assets of the Group restricted from being used (including the portion due within one year) amounted to RMB120,269,577.13, which were restricted due to the Group's contribution to the mine geological environment governance and restoration fund that cannot be withdrawn reading on demand.

Note 4: As at 30 June 2025, the Group's long-term borrowings of RMB150,452,782.79 were secured by fixed assets of Wulong Mining and Jilong Mining with carrying amounts of RMB140,616,279.82 and RMB64,777,237.40, respectively.

Apart from the above, the Group has no material pledge of assets or contingent liabilities as at 30 June 2025.

(IV) Analysis on Investments

During the Reporting Period, the Company did not carry out any significant external equity investments.

1. *Derivative Investments*

On 29 March 2025, the Company held the 35th meeting of the eighth session of the Board and considered and approved the "Proposal on the Launch of Futures Hedging Activities in 2025". 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 and foreign exchange risk exposures at appropriate times. This aims to enhance the Company's risk resistance capability and ensure stable operations.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *Analysis of Major Companies in Which the Company has Invested*

Unit: ten thousands Yuan Currency: RMB

Company name	Type of company	Principal operation	Registered capital	Total assets	Net assets/ (liabilities)	Operating income	Net profit/ (loss)
Jilong Mining	Subsidiary	Gold mining and processing	17,500	209,838.62	141,597.47	41,404.46	20,866.51
Huatai Mining	Subsidiary	Gold mining and processing	2,000	29,778.87	(2,811.74)	118.65	(1,314.09)
Wulong Mining	Subsidiary	Gold mining and processing	4,000	189,968.16	140,474.75	52,738.72	26,799.90
Xinhenghe Mining	Subsidiary	Gold mining and processing	4,000	39,691.21	30,190.70	13,302.84	8,007.52
Hanfeng Mining	Subsidiary	Non-ferrous metal mining and processing	42,920	68,440.62	55,274.84	14,000.46	3,154.48
LXML	Subsidiary	Non-ferrous metal mining and processing	1,436,516.83 million Lao Kip	654,979.47	359,918.23	236,773.21	56,818.99
Golden Star Resources	Subsidiary	Gold mining and processing	US$932.9285 million	902,821.04	436,953.18	150,320.30	15,851.99
Guangyuan Technology	Subsidiary	Disassembling of waste electrical and electronic products	4,477.60	47,350.07	35,911.52	12,577.55	1,018.69
Chijin Xiawu	Subsidiary	Rare earth mining and processing	40,000	44,550.22	39,547.83	5,967.57	(1,540.42)

Notes: 1. The principal operation of Xinhenghe Mining are held by its subsidiary Jintai Mining. The principal operation of Golden Star Resources are held by its subsidiary GSWL. The principal operation of Chijin Xiawu are held by its subsidiaries Rare Earth Mining and Rare Earth Mining Xiangkhouang.

2. The financial data of Xinhenghe Mining, Golden Star Resources and Chijin Xiawu are based on their consolidated financial statement figures.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

Based on the progress made in the first half of this year and the projected developments for the second half, the Company has revised its 2025 gold production and sales target to 16.0 tonnes. The Company remains committed to the principle of safe development, embraces the philosophy of green and sustainable growth, and will strive to achieve its annual objectives. In the second half of this year, the Company will closely align its efforts with the annual key projects and performance targets, and will make every effort to advance work related to safe production, increased output and reserves, as well as quality improvement and operational efficiency enhancement.

1. Emphasize workplace safety, strengthen the foundation for sustainable development, strive to enhance both productivity and operational efficiency

In the second half of the year, the Company will enhance the organization and management of safety production and optimize relevant performance indicators. It will prioritize key projects aimed at expanding mine production capacity and accelerating their completion and commissioning. By improving mining and beneficiation techniques to increase recovery rates, the Company can fully realize the potential for capacity expansion and production growth. At the same time, it will strengthen the integrated management of global mine operations to ensure coordinated progress in stable and increased production, resource exploration and reserve growth, as well as benefit expansion.

2. Enhance scientific research breakthroughs and the transformation of research outcomes to drive digital and intelligent transformation

The Company will prioritize initiatives aimed at enhancing the quality and efficiency of mine beneficiation and metallurgy, alongside achieving key scientific research breakthroughs, while accelerating the practical application of technological advancements. Furthermore, the Company will continue to advance digitalization and intelligent development, leveraging technological innovation to enhance production efficiency and elevate management standards.

3. Focus on enhancing resource reserves to expand long-term development potential

In response to the increasingly competitive environment in the gold industry, the Company will uphold its strategic determination and prioritize the enhancement of resource reserves. This includes continuously increasing investment in geological exploration across various mines, intensifying exploration efforts in key mine peripheries and unexplored areas. The Company will accelerate the acquisition of mining rights projects near existing mines and along significant domestic mineralization zones. Furthermore, it will steadily advance the procurement of high-quality overseas resources to continuously strengthen its resource guarantee capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Uhold the principle of sustainable development and ensure safe and reliable operations

Implement the ESG sustainable development strategy to advance safe, environmentally friendly, compliant and harmonious growth. Strengthen routine safety management by deepening the mechanisms for risk prevention and control as well as hazard identification and remediation. Enhance the compliance management framework, intensify oversight in key operational areas, and improve adherence to laws and regulations. Continuously promote the coordinated development of the Company and the communities in which it operates, further strengthen partnerships with local stakeholders, and enable a broader range of stakeholders to benefit from the development achievements of Chifeng Gold.

Standing at a new starting point, the Company will continue to uphold its core development strategy of "gold as the primary focus". With firm determination and strategic foresight, it will significantly increase investment in exploration activities and advance the intelligent and large-scale technological upgrading of mining operations. This initiative aims to fully promote a virtuous cycle and leapfrog growth in "resource reserve expansion, capacity enhancement, and benefit realization". Currently, gold prices are in an upward trend, and the Company is well positioned to capitalize on this momentum. It will proactively accelerate its exploration in both domestic and international markets, as well as expedite the construction of new projects. Through efficient execution, the Company will rapidly translate financing outcomes into operational effectiveness, continuously deepening its resource reserve base and strengthening its production capacity. These efforts will be directed toward achieving the long-term objective of becoming a globally recognized leading gold producer.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES DURING THE REPORTING PERIOD

(1) Exploration

Jilong Mining's Zhuanshanzi Gold Mine

During the Reporting Period, 11,435.2 meters of pit exploration work was completed within the mining area; 30 underground drilling holes were drilled with a cumulative footage of 9,142.91 meters, controlling the depth and extension of the main ore bodies; and 22 surface drilling holes were drilled with a cumulative footage of 11,597.24 meters.

Wulong Mining's Wulong Gold Mine

During the Reporting Period, 12,560 meters of pit exploration work was completed within the mining area; 18 underground drilling holes were drilled with a cumulative footage of 5,069.7 meters; and 28 deep drilling holes were drilled in the mining area with a cumulative footage of 8,360.51 meters.

Huatai Mining's Honghuagou Gold Mine

In order to verify the occurrence of altered rock-type ore bodies at depth in the Third Mining Area, 14 surface drilling holes were constructed in the Third Mining Area during the Reporting Period, with a cumulative footage of 5,536 meters. Nine horizontal drilling holes were drilled in the construction pit of the Fifth Mining Area, with a total footage of 2,355 meters, aiming to explore the occurrence of parallel veins.

Hanfeng Mining's Tianbaoshan Polymetallic Mine

During the Reporting Period, 4,137 meters of pit exploration work was completed within the mining area; 89 underground drilling holes were drilled with a cumulative footage of 12,929.3 meters; and 11 surface drilling holes were drilled with a cumulative footage of 2,402.88 meters, mainly to control the No. 2 mineralized zone behind the Lishan Concentrator.

LXML's Sepon Gold and Copper Mine

In 2025, the annual exploration and drilling target is planned to be 140,000 meters. The first phase of drilling activities at the SND gold and copper deposit was completed in late June 2025. A total of 65 drill holes were completed for resource estimation, with a total footage of 35,460 meters. The exploration team completed the entire process from regional reconnaissance to deposit discovery, modeling and submission of this report within 14 months, and drilling will resume after the rainy season ends.

GSR's Wassa Gold Mine

Drilling exceeded targets, with four new pits added in the Benso area. Meanwhile, the ongoing development of the F-Shoot area is nearing completion, demonstrating significant ore reserves and development potential.

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Development

Jilong Mining's Zhuanshanzi Gold Mine

During the Reporting Period, the extension of the deep resource exploitation range of the mining right (extending the mining depth to an elevation of -135 m) has been completed. The preliminary design and revised draft of the safety facility design for the new 60,000 tonnes per annum underground mining project (including the first and second mining areas of Yangpo West) have been submitted for review. The new 60,000 tonnes per annum underground mining project (5th and 6th mining sections) has been approved, and the procedures regarding forest and grassland have entered the final review process at the municipal/ autonomous region level. The closure design of the old tailings pond has passed expert review and has entered the closure construction phase according to the design plan. After acceptance by the competent authorities, the pond will be safely closed. The new tailings pond has entered the second phase of laying the anti-seepage membrane.

Wulong Mining's Wulong Gold Mine

During the Reporting Period, the environmental impact assessment report for the 3,000 tonnes/day concentrator construction project was officially approved. The technical renovation project of its supporting filter press workshop (3,000 tonnes/day) was completed ahead of schedule and put into operation. At this point, the entire series of production lines (2,000 tonnes/day + 1,000 tonnes/day) of the Wulong beneficiation plant have been officially put into production. The technical improvement of the blind shaft of the second-division mine has entered the shaft reconstruction stage, and the connecting tunnel project of the fourth-division mine has been excavated 305 meters and is scheduled to be completed by the end of the year. The exploration right of Ligunzi Gold Mine was transferred through agreement (sandwich area), and the scope of the exploration right was amended, and the exploration area was expanded from 0.6112 km^2 to 1.0705 km^2.

Huatai Mining's Honghuagou Gold Mine

The application materials for the construction project of adding 30,000 tonnes/year of production capacity in the first mining area are being under preparation for approval by the Development and Reform Commission of the Autonomous Region. Infrastructure construction in the fifth mining area is progressing smoothly, with a cumulative tunneling footage of 2,981 meters completed in the first half of 2025. The "Comprehensive Prospecting Method for the No. 86 Vein and Pengjiagou Section of the Honghuagou Gold Mine in Chifeng, Inner Mongolia" project (focusing on prospecting in the loess overburden layer), carried out in cooperation with the Shenyang Geological Survey Center, has completed expert review and is scheduled to start exploration work in the second half of 2025.

Jintai Mining's Xidengping Gold Mine

During the Reporting Period, the phase II project obtained a mining license on 31 March 2025, completing the legal procedures for converting prospecting rights into mining rights. The second phase of the 780,000 tonnes/year construction project is preparing application materials and applying for project approval from the provincial development and reform commission.

MANAGEMENT DISCUSSION AND ANALYSIS

Hanfeng Mining's Tianbaoshan Polymetallic Mine

During the Reporting Period, the 66kV substation and transmission line construction project and 1,200 tonnes/day expansion and renovation project of the Dongfeng Ore Dressing Plant received project approval. The preliminary feasibility study plan for the Lishan tailings pond expansion project has been formed. The main general contractor for the filling system and supporting projects in the Lishan and Dongfeng mining areas has been selected.

LXML's Sepon Gold and Copper Mine

The open-pit mining project of the Khanong Copper Mine has officially started construction and the project will become one of the Company's important profit growth points. The completion of the flotation column technical transformation project will drive the continuous upgrading of subsequent automated processing systems. The second phase expansion project of the tailings storage facility is planned to be completed and put into use within the year, providing support for capacity expansion.

GSR's Wassa Gold Mine

Four new pits have been added to the Benso area, and the ongoing development of the F-Shoot area is nearing completion. The ore reserves and development potential are considerable. Furthermore, the optimized and restarted DMH open pit will further improve ore blending efficiency and increase ore supply; and at the same time, after resource exploration in the FB and ADK mining area, the open-pit-to-underground expansion project was launched in a timely manner to further consolidate the production base.

(3) Mining Activities

Mining activities in domestic mines

Mines	**Mineral type**	**Mining volume** *(10,000 tonnes)*
Jilong Mining's Zhuanshanzi Gold Mine	Gold mine	13.78
Wulong Mining's Wulong Gold Mine	Gold mine	40.52
Jintai Mining's Xidengping Gold Mine	Gold mine	40.39
Hanfeng Mining's Tianbaoshan Polymetallic Mine	Copper, lead and zinc mine	33.93
	Molybdenum ore	11.09

Mining activities in overseas mines

Mines	**Mineral type**	**Mining volume** *(10,000 tonnes)*
GSR's Wassa Gold Mine	Gold mine	151.78
LXML's Sepon Gold and Copper Mine	Gold mine	184.08
	Copper mine	32.91

Note: During the Reporting Period, capital exploration expenditure was approximately RMB144 million.

DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2025, the interests and short positions of the Directors 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 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 and H Shares) as at 30 June 2025
Wang Jianhua	Chairman of the Board and Executive Director	Beneficial owner	A Shares	74,200,071	3.9044%
Yang Yi-fang	Executive Director and Chief Executive Officer	Beneficial owner	A Shares	113,000	0.0059%
Lyu Xiaozhao	Executive Director, Vice President and Chief Engineer	Beneficial owner	A Shares	111,700	0.0059%
Gao Bo	Executive Director and Vice President	Beneficial owner	A Shares	153,500	0.0081%

Save as disclosed above, during the Reporting Period, none of the Directors 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 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.

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 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 30 June 2025, 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

	Before this change		This change involves an increase or decrease (+,-)					After this change	
	Number	Ratio(%)	Issue of new shares	Bonus shares	Conversion of provident fund shares	Others	Subtotal	Number	Ratio(%)
I. Shares with restricted sale conditions	0	0	54,290,800	0	0	0	54,290,800	54,290,800	2.86
1. State ownership									
2. State-owned legal person shareholding									
3. Other domestic capital holdings									
Of which: Non-state-owned legal persons within the territory hold shares									
Domestic natural person shareholding									
4. Foreign shareholding	0	0	54,290,800	0	0	0	54,290,800	54,290,800	2.86
Of which：Shareholding by overseas legal persons	0	0	54,290,800	0	0	0	54,290,800	54,290,800	2.86
Shareholding by overseas natural persons									
II. Unrestricted tradable shares	1,663,911,378	100	182,209,000	0	0	0	182,209,000	1,846,120,378	97.15
1. RMB ordinary shares	1,663,911,378	100	0	0	0	0	0	1,663,911,378	87.56
2. Foreign capital shares listed domestically									
3. Foreign capital shares listed overseas	0	0	182,209,000	0	0	0	182,209,000	182,209,000	9.59
4. Others									
III. Total number of Shares	1,663,911,378	100	236,499,800	0	0	0	236,499,800	1,900,411,178	100

(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 over-allotment option described in the Prospectus has been fully exercised by the Overall Coordinators (for themselves and on behalf of the International Underwriters) on 4 April 2025 in respect of an aggregate of 30,847,800 H Shares. The total share capital of the Company increased from 1,663,911,378 A Shares to 1,900,411,178 Shares (comprising 1,663,911,378 A Shares and 236,499,800 H Shares).

For details, please refer to the announcement published by the Company on 6 April 2025.

SHARE CAPITAL AND SHAREHOLDERS

II. Shareholdings of top ten shareholders

As at 30 June 2025, the Company has a total of 121,078 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)						
					Pledged, marked or frozen		
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	Status of shares	Number of shares	Nature of shareholders
Li Jinyang	0	190,410,595	10.02	0	Pledged	63,900,000	Domestic natural person
Hong Kong Securities Clearing Company (Nominees) Limited	182,204,489	182,204,489	9.59	0	Nil	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	18,741,962	85,862,393	4.52	0	Nil	0	Overseas legal person
Wang Jianhua	0	74,200,071	3.90	0	Nil	0	Domestic natural person
Yantai Hanfeng Zhongxing Management Consulting Center (Limited Partnership) ("**Hanfeng Zhongxing**")	0	51,515,151	2.71	0	Pledged	9,177,680	Others
118 Combination of National Social Security Fund	-37,081,200	40,221,684	2.12	0	Nil	0	Others
Beijing Lexi Private Fund Management Co., Ltd. – Beijing Lexi Kaitai Private	4,301,400	33,006,600	1.74	0	Nil	0	Others
Sparky International Company Limited	0	31,617,400	1.66	31,617,400	Nil	0	Overseas legal person
Securities Investment Fund Agricultural Bank of China Limited – CSI 500 Exchange-traded Open-end Index Securities Investment Fund	1,453,500	24,730,339	1.30	0	Nil	0	Others
Gold Mountains (H.K.) International Mining Company Limited	0	22,673,400	1.19	22,673,400	Nil	0	Overseas legal person

SHARE CAPITAL AND SHAREHOLDERS

III. Substantial Shareholders

So far as our Directors are aware, as at 30 June 2025, the interests and short positions of shareholders (other than the Directors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Long Positions in the Shares of Our Company

Shareholders	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the same class of shares	Approximate percentage of interest in the total issued share capital of our Company (i.e. A Shares and H Shares) as at 30 June 2025
Li Jinyang [(1)]	Beneficial owner	A Shares	190,410,595	11.44%	10.02%
	Interest in controlled corporation [(2)]	A Shares	51,515,151	3.10%	2.71%
Sparky International Company Limited	Beneficial owner	H Shares	31,617,400	13.37%	1.66%
Gold Mountains (H.K.) International Mining Company Limited	Beneficial owner	H Shares	22,673,400	9.59%	1.19%

Note:

(1) As at 30 June 2025, Ms. Li pledged 63,900,000 A Shares, representing approximately 3.36% of our Company's total issued share capital, to a PRC licensed financial institution for her personal financing purpose.

(2) Ms. Li Jinyang 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 30 June 2025, Hanfeng Zhongxing pledged 9,177,680 A Shares, accounting for approximately 0.48% 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 30 June 2025, 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.

OTHERS

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company (before the exercise of the over-allotment options) were successfully listed on the Main Board of the Hong Kong Stock Exchange on 10 March 2025 205,652,000 H Shares were allotted and issued. 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 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 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.

As of 30 June 2025, the details of the use of the proceeds in accordance with the planned purposes and proportions set out in the Prospectus are as follows,

				As of 30 June 2025	
Use of proceeds	**Percentage** *(%)*	**The planned net proceeds** *(Ten thousand Hong Kong dollars)*	**The planned net proceeds** *(Ten thousand RMB)*	**The proceeds used** *(Ten thousand RMB)*	**The surplus proceeds** *(Ten thousand RMB)*
Exploration and mine development for the mines in the PRC	30	92,986.71	84,799.23	5,000.00	79,799.23
Exploration and mine development for the overseas mines	20	61,991.14	56,532.82	3,579.30	52,953.52
Acquisitions of projects	40	123,982.29	113,065.65	–	113,065.65
General corporate purposes	10	30,995.57	28,266.41	3,579.30	24,687.11
Total	100	309,955.71	282,664.11	12,158.60	270,505.51

Note: The amount in RMB is converted from Hong Kong dollars to RMB based on the exchange rate as of 30 June 2025.

OTHERS

ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

The Company adheres to the development strategy of "focusing on gold", steadily promoting its international layout. From 2021 to 2025, it has outperformed the industry average in terms of gold production growth and operational efficiency improvement. The steady development of the Company is attributed to the following core competitive advantages:

1. Professional management team and effective incentive mechanism

The Company's management team comprises senior experts with extensive experience in mining, capital markets, and enterprise management. the Chairman, Mr. Wang Jianhua, and the Chief Executive Officer, Ms. Yang Yi-fang, along with other core executives, have accumulated substantial management experience and achieved notable accomplishments within globally recognized mining enterprises. Furthermore, the Board includes experts from prestigious universities and research institutions, thereby enhancing the professionalism and expertise of corporate decision-making.

The Company upholds the corporate culture of "coexistence and mutual growth", and promotes the trinity of owners, managers, and employees. It has established a long-term internal incentive mechanism that extends to frontline staff through initiatives such as employee stock ownership plans. These measures effectively align the interests of core personnel with the Company's development goals, thereby enhancing the motivation of the management team and key employees. As a result, a strong alignment in mission, vision, and action has been formed. In addition, the Company is actively exploring long-term equity incentive programs tailored to overseas employees, aiming to further strengthen its international management capabilities and operational efficiency.

2. High-quality resource reserves and the potential for sustained capacity expansion

The Company has developed sustainable development strategies encompassing resource exploration, as well as enhancements in capacity and production output for each mine. The medium to long-term plans are both highly feasible and well-defined.

The Company's domestic gold mines are located among the rare high-grade deposits in China. The ore exhibits relatively high grades, and the mineralization conditions are favorable. Most mining zones demonstrate significant potential for further exploration and resource expansion. Furthermore, the Company's effective cost control measures have resulted in unit costs and gross profit margins that outperform the industry average of domestic gold mining peers. Ongoing deep exploration efforts, coupled with technological upgrades and process optimization, have substantially increased ore production and mineral processing capacity. These initiatives have positioned the Company on a steady path toward achieving its strategic objective of "discovering and developing large-scale mining operations".

OTHERS

The Sepon gold-copper mine, operated by the Company, is the largest non-ferrous metal mine in Laos. The Company holds exclusive exploration and mining rights for mineral resources across a total area exceeding 1,000 square kilometers, including the Sepon mining area, offering substantial potential for future development. The initial resource estimation of the Sepon Mine SND project has further reinforced the strategic importance of the Sepon Mine within the Company's long-term development framework.

The Wassa Gold Mine, operated by GSR, a holding subsidiary of the Company, is situated on the eastern margin of the southern segment of the globally renowned Ashanti Gold Belt, which extends for approximately 70 kilometers. It represents one of the largest gold mining entities in Ghana in terms of the area covered by mining rights, and the mine site, along with its surrounding regions, holds significant exploration potential. Through continuous improvements in mining capacity and the optimization of mineral processing equipment and systems, the volume of ore processed and gold output have shown steady growth, laying a solid foundation for the future expansion of production capacity and resource reserves.

The Company has accumulated extensive experience in overseas merger and acquisition as well as resource integration. It has established an efficient system for target identification, transaction execution, and business integration, ensuring the rapid implementation and tangible outcomes of exploration, capacity expansion, and production growth initiatives. By combining internal exploration with external merger and acquisition, the Company is driving rapid growth in resource and reserves and production capacity, and accelerating the development of a globally competitive gold mining enterprise.

3. Diversified financing capabilities and robust financial structure

The Company issued H Shares through its initial public offering ("**IPO**") in Hong Kong, thereby establishing an international platform for market financing and diversifying its financing channels. The Hong Kong listing has effectively attracted overseas investors, enhancing the internationalization of the shareholder structure and laying a solid foundation for the global expansion of the Company's brand and overseas operations.

The dual listing of A Shares and H Shares provides a wide variety of financing channels to the Company, offering more flexible and efficient financing options during the period of rapid business expansion. This strategy will provide critical financial momentum for the Company's continued global resource mergers and acquisitions, core mine exploration and development, as well as intelligent technological transformation and expansion. Going forward, the Company will closely align with the pace of business growth, flexibly leverage various forms of equity financing to reduce reliance on debt, and simultaneously employ structured financial instruments such as asset securitization and project-specific financing for mining initiatives. These efforts aim to unlock the value of existing assets and achieve optimal capital allocation efficiency.

OTHERS

With ample operating cash flow and through the dynamic refinancing of existing debt in line with prevailing market interest rate cycles, the Company has steadily reduced its interest-bearing liabilities. Meanwhile, non-productive expenditures have been strictly controlled. By implementing refined fund management and control measures, capital utilization efficiency has been enhanced, and the liability structure has been continuously optimized.

Currently, the Company has established a high-quality financial structure characterized by “low interest-bearing debt combined with strong cash flow”. The scale of interest-bearing debt remains among the lowest compared to global peers, interest expenses have declined significantly, and cash flow remains robust. This financial structure not only ensures stable financial support for strategic initiatives such as global high-quality mine mergers and acquisitions and the enhancement of resource operational capabilities, but also substantially strengthens financial resilience against cyclical fluctuations and geopolitical risks, thereby laying a solid foundation for sustainable and high-quality development in the medium to long term.

4. High-efficiency operations and coordinated resource allocation

Under the guidance of the management team, each mine within the Company focuses on enhancing operational efficiency by leveraging its specific circumstances. The Company consistently advances technological innovation and management optimization through the accelerated research and application of new technologies, the implementation of global centralized procurement, and the refinement of organizational structures. As a result, resource allocation efficiency and operational coordination capabilities have been significantly improved, further strengthening the Company’s competitive position within the industry.

In recent years, domestic mines have enhanced operational efficiency and resource utilization through progressive investment and systematic modernization. Overseas mines are operating in a stable manner and employ internationally advanced mining and production technologies. Among these, Sepon Mine has continuously optimized its ore beneficiation and recovery processes through independent technological innovation and external collaboration, achieving significant success in processing complex ores. Meanwhile, Wassa Gold Mine has progressively unlocked its production capacity and improved overall operational efficiency by implementing measures such as outsourcing mining operations, optimizing production scheduling, and expanding output through new projects.

OTHERS

REMUNERATION POLICY

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.

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 30 June 2025, the Group employed a total of 7,066 employees in locations including China, Ghana, and Laos (as at 31 December 2024: 6,911), with positions covering exploration, mining, processing, environmental and social, sales, technical, financial, and administrative fields.

OTHERS

EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of employees in the parent company	78
Number of employees in major subsidiaries	6,988
Total number of employees in service	7,066
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	4,914
Sales personnel	5
Technical staff	857
Financial staff	60
Administrative staff	1,230
Total	7,066

Education degree

Category of education degree	Number (persons)
Holders of master degree	120
Holders of bachelor degree	700
Below bachelor degree	6,246
Total	7,066

OTHERS

(II) 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.

(III) Labor outsourcing

Working hours of labor outsourcing (hours)	1,176,628.00

OTHERS

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

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 (Properties) Limited (“**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 has begun production, covering the mining area of 50 km^2, 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.

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.

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. Other than as disclosed in this MD&A, there was no plan authorized by the Board for other material investments or additions of capital assets at the date of this MD&A.

OTHERS

PROFIT DISTRIBUTION

During the current interim period, a final dividend in respect of the year ended 31 December 2024 of RMB0.16 (before tax deduction) (six months ended 30 June 2024: final dividend in respect of the year ended 31 December 2023 of RMB0.50) per ordinary Share, in an aggregate amount of RMB304,065,788.48 (2024: RMB82,436,438.90), has been approved by the Shareholders at the annual general meeting of the Company held on 12 June 2025.

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

EMPLOYEE STOCK OWNERSHIP PLAN AND THEIR IMPACT

Summary of the Event	Inquiry Index
On 30 December 2024, the Company convened the 33rd meeting of the eighth session of the Board of Directors to consider and approve, among others, 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". 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".	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 (www.sse.com.cn) and designated media for information disclosure.
On 15 January 2025, the Company held its first extraordinary general meeting in 2025. The meeting approved 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".	The "Announcement of the Resolution of the First Extraordinary General Meeting of Chifeng Gold in 2025" (Announcement No.: 2025-003) published on 16 January 2025 on the website of the Shanghai Stock Exchange (www.sse.com.cn) and designated media for information disclosure.

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Summary of the Event	Inquiry Index
The holders of the Company's Phase III Employee Stock Ownership Plan held their first meeting on 17 February 2025, and passed the following proposals: "Proposal on Establishing the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.", "Proposal on Electing the Members of the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.", and "Proposal on Authorizing the Management Committee of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd. to Handle Relevant Matters of This Employee Stock Ownership Plan".	The "Announcement of the First Meeting Resolution of the Phase III Employee Stock Ownership Plan of Chifeng Gold" (Announcement No.: 2025-005) published on 18 February 2025 on the website of the Shanghai Stock Exchange and designated information media.
On 24 February 2025, the Company received the "Confirmation of Securities Transfer Registration" issued by China Securities Depository and Clearing Corporation Limited. The dedicated securities account of the Company's Phase III Employee Stock Ownership Plan has acquired 15,182,600 shares of the Company's repurchase dedicated securities account through non-trading transfer on 21 February 2025. It accounts for 0.9125% of the Company's current total share capital, and the transfer price is 14.50 yuan per share. So far, the Company's Phase III Employee Stock Ownership Plan has completed the stock transfer. The lock-up period for the stock is 12 months, from 25 February 2025 to 24 February 2026.	The "Announcement of Chifeng Gold on the Completion of Stock Transfer for the Phase III Employee Stock Ownership Plan" (Announcement No.: 2025-008) disclosed on 25 February 2025 on the website of the Shanghai Stock Exchange and designated information media.

OTHERS

Summary of the Event	Inquiry Index
As of 1 April 2025, all the Company's stocks held in the Phase I Employee Stock Ownership Plan have been sold out through centralized competitive bidding. All the assets held in the Company's Phase I Employee Stock Ownership Plan have been converted into monetary funds. The management committee of the Company's Phase I Employee Stock Ownership Plan will carry out liquidation and distribution work in accordance with relevant laws and regulations and the authorization of the holders' meeting. Once the relevant work is completed, the Company's Phase I Employee Stock Ownership Plan will be terminated in advance.	The "Announcement of Chifeng Gold on the Completion of the Sale of Stocks under the Phase I Employee Stock Ownership Plan" (Announcement No.: 2025-028) disclosed on 2 April 2025 on the website of the Shanghai Stock Exchange and designated information media.

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, 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, 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

OTHERS

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	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.	April 1, 2019, long – term effective	No	Yes

OTHERS

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	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
	Solution of related party transactions	Li Jinyang	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.	April 1, 2019, long – term effective	No	Yes

OTHERS

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	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	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
	Others	Li Jinyang, 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

OTHERS

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.

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.

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.

As of 1 April 2025, all the Company's shares held under the Phase I Employee Stock Ownership Plan have been sold out through centralized competitive bidding.

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) for the half year ended 30 June 2025.

Save as disclosed above, the Company did not hold any other treasury shares as at 30 June 2025.

OTHERS

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.

DIRECTORS' INTERESTS IN MAJOR TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than the service contracts with Directors, 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. Wong Hok Bun Mario has been the Company Secretary of the Company since 10 March 2025 when the Company's H shares were listed.

The Company abolished the Supervisory Committee on 12 June 2025. The duties and powers of the Supervisory Committee were transferred to the Audit Committee. For details, please refer to the announcements of the Company dated 20 May 2025 and 12 June 2025 and the circular of the Company dated 21 May 2025.

Ms. Yang Yi-fang was appointed as a member of the Nomination Committee on 30 June 2025. For details, please refer to the announcement of the Company dated 30 June 2025.

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.

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.

OTHERS

MATERIAL LITIGATION AND ARBITRATION

As at 30 June 2025, 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.

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.

EQUITY-LINKED AGREEMENT

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

SECURITIES TRANSACTIONS BY DIRECTORS

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 of the Company. The effective date is 10 March 2025, which is the listing date of the H Shares of the Company on the Main Board of the Hong Kong Stock Exchange. All Directors 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 the Amendment of the Articles of Association of Chifeng Jilong Gold Mining Co., Ltd. （《修訂<赤峰吉隆黃金礦業股份有限公司章程的議案>》） was considered and approved at the Annual General Meeting of 2024 of the Company held on 12 June 2025 (the "**2024 Annual General Meeting**"). For details, please refer to the announcements of the Company dated 20 May 2025 and 12 June 2025 and the circular of the Company dated 21 May 2025.

RETAINED EARNINGS

Details of the retained earnings of the Company as at 30 June 2025 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 30 June 2025 are set out in Note V. 19 to the financial statements.

OTHERS

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 reporting period ended 30 June 2025 are set out in Note V. 11 to the financial statements.

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.

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 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, the minimum percentage which is in strict compliance with the requirements of Rule 19A.13A of the Hong Kong Listing Rules.

Immediately after the end of the stabilization period, the Company continues to comply with the minimum public float requirements of Rule 19A.13A of the Hong Kong Listing Rules.

OTHERS

AUDIT COMMITTEE

During the six months ended 30 June 2025, the Audit Committee comprises a non-executive director Mr. Zhang Xudong and two independent non-executive Directors, namely Dr. Wong Yet Ping Ambrose, Mr. Hu Nailian, which include one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise.

As of the date of this report, the composition of the Audit Committee is in compliance with relevant requirements of the Listing Rules. The Audit Committee has adopted the terms of reference in line with the Corporate Governance Code issued by the Stock Exchange. The principal duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee, in conjunction with management, has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim results for the six months ended 30 June 2025.

APPOINTMENT AND DISMISSAL OF AUDITOR

According to the resolution passed at the Company's 2024 Annual General Meeting, the Company reappointed Ernst & Young Hua Ming LLP as the Company's auditor for the year 2025.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Since the listing date of the H Shares, the Company has complied with Rules 3.10(1), 3.10(2), and 3.10A of the Hong Kong Listing Rules regarding the appointment of a sufficient number of independent non-executive Directors, and at least one independent non-executive Director must possess appropriate professional qualifications or accounting or related financial management expertise. The appointed independent non-executive Directors must constitute at least one-third of the Board members. The Company has appointed four independent non-executive Directors, with the number of independent non-executive Directors accounting for at least one-third of the Board members, and one of the independent non-executive Directors possesses accounting or related financial management expertise.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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; (e) revising the terms of reference of the Nomination Committee of the Company and add one Director of a different gender to the members of the Nomination Committee; and (f) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. During the reporting period, 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.

OTHERS

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.

Save for the above, the Board confirmed that during the six months ended 30 June 2025, the Company has adopted and complied with the code provisions of the Corporate Governance Code and has followed most of its recommended best practices.

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

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Group which occurred after the end of the Reporting Period to the date of this report.

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

22 August 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Current assets:			
Cash and bank balances	1	**5,125,312,017.64**	2,747,442,442.93
Financial assets held for trading	2	**9,830,003.47**	9,998,984.68
Derivative financial assets	3	**3,423,743.62**	5,251,800.00
Trade receivables	4	**558,458,334.08**	587,165,738.54
Prepayments	5	**180,278,026.83**	276,484,571.30
Other receivables	6	**73,710,059.62**	96,187,623.04
Inventories	7	**2,762,336,150.12**	2,540,318,023.51
Other current assets	8	**143,698,448.41**	141,333,280.01
Total current assets		**8,857,046,783.79**	6,404,182,464.01
Non-current assets:			
Long-term receivables	9	**228,313.31**	1,190,808.13
Long-term equity investments	10	**3,934,422.32**	3,955,645.67
Fixed assets	11	**6,189,973,837.01**	6,399,516,327.75
Construction in progress	12	**1,171,292,284.79**	677,866,937.65
Right-of-use assets	13	**198,994,331.11**	206,797,707.37
Intangible assets	14	**6,490,499,670.15**	6,318,994,537.74
Goodwill	15	**41,968,889.08**	41,968,889.08
Long-term deferred expenses	16	**325,937.50**	350,312.50
Deferred tax assets	17	**66,900,304.83**	67,228,646.44
Other non-current assets	18	**146,776,772.91**	206,516,336.78
Total non-current assets		**14,310,894,763.01**	13,924,386,149.11
Total assets		**23,167,941,546.80**	20,328,568,613.12
Current liabilities:			
Short-term borrowings	20	**1,171,596,135.39**	1,108,199,165.67
Financial liabilities held for trading	21	**–**	707,020,000.00
Trade payables	22	**722,079,333.29**	684,571,183.74
Contract liabilities	23	**81,888,322.88**	56,598,949.03
Employee benefits payable	24	**102,946,509.43**	171,273,575.15
Taxes payable	25	**652,981,467.37**	698,951,345.10
Other payables	26	**433,427,052.67**	225,263,620.79
Non-current liabilities due within one year	27	**409,139,614.25**	398,463,926.07
Other current liabilities	28	**621,932.96**	672,771.76
Total current liabilities		**3,574,680,368.24**	4,051,014,537.31

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Non-current liabilities:			
Long-term borrowings	29	**154,970,934.95**	599,502,985.86
Lease liabilities	30	**170,892,712.64**	179,596,024.47
Long-term payables	31	**58,253,794.48**	59,167,832.67
Provisions	32	**1,767,146,601.33**	1,783,633,263.08
Deferred income	33	**6,202,500.87**	6,838,500.83
Deferred tax liabilities	17	**2,325,921,791.63**	2,329,605,255.27
Other non-current liabilities	34	**558,230,764.97**	596,094,797.55
Total non-current liabilities		**5,041,619,100.87**	5,554,438,659.73
Total liabilities		**8,616,299,469.11**	9,605,453,197.04
Shareholders' equity:			
Share capital	35	**1,900,411,178.00**	1,663,911,378.00
Capital reserve	36	**3,294,181,276.55**	626,736,519.64
Less: Treasury shares	37	**220,015,940.99**	220,015,940.99
Other comprehensive income	38	**122,009,689.08**	145,710,300.63
Special reserve	39	**9,901,931.22**	3,347,876.91
Surplus reserve	40	**269,782,850.97**	269,782,850.97
Retained earnings	41	**6,230,173,913.41**	5,427,338,050.01
Equity attributable to shareholders of the parent		**11,606,444,898.24**	7,916,811,035.17
Non-controlling interests		**2,945,197,179.45**	2,806,304,380.91
Total shareholders' equity		**14,551,642,077.69**	10,723,115,416.08
Total liabilities and shareholders' equity		**23,167,941,546.80**	20,328,568,613.12

The financial statements were signed by:

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Mr. Wang Jianhua	Mr. Wong Hok Bun Mario	Ms. Guo Zhenzhen

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating income	42	5,272,037,612.96	4,196,136,846.89
Less: Operating costs	42	2,736,099,202.63	2,538,536,507.29
Taxes and surcharges	43	305,773,876.47	221,179,698.11
Selling expenses	44	190,444.16	249,804.58
Administrative expenses	45	255,371,763.84	218,049,986.72
Research and development expenses	46	41,015,532.65	33,638,596.34
Financial expenses	47	37,419,700.15	76,668,660.70
Including: Interest expenses		65,599,297.75	103,466,091.68
Interest income		36,538,631.02	16,657,390.25
Add: Other income	48	1,300,589.42	716,710.76
Investment (losses)/income	49	(112,445,430.73)	139,700,860.01
Including: Share of (losses)/profits of associates		(21,223.35)	7,261,876.18
Gains/(Losses) on changes in fair value	50	102,361,838.07	(73,742,611.80)
Credit impairment (losses)/reversal	51	(2,108,085.53)	1,124,871.76
Impairment losses on assets	52	(17,067,717.46)	(1,711,235.83)
Gains/(Losses) on disposal of non-current assets	53	142,132.35	(448,706.10)
Operating profit		1,868,350,419.18	1,173,453,481.95
Add: Non-operating income	54	145,591.92	377,006.59
Less: Non-operating expenses	55	6,714,061.67	1,106,848.81
Profit before tax		1,861,781,949.43	1,172,723,639.73
Less: Income tax expenses	56	579,851,149.30	382,394,119.96
Net profit		1,281,930,800.13	790,329,519.77
Classification according to the continuity of operations			
Net profit from continuing operations		1,281,930,800.13	790,329,519.77
Attributable to:			
Shareholders of the parent		1,106,901,651.88	710,499,675.39
Non-controlling interests		175,029,148.25	79,829,844.38

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Other comprehensive (loss)/income, net of tax	38	**(32,510,253.01)**	31,612,510.25
Other comprehensive (loss)/income attributable to shareholders of the parent, net of tax		**(23,700,611.55)**	23,257,430.00
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		**(23,700,611.55)**	23,257,430.00
Cash flow hedge reserve		**1,469,790.00**	(8,855,432.65)
Foreign currency translation adjustment		**(25,170,401.55)**	32,112,862.65
Other comprehensive (loss)/income attributable to non-controlling interests, net of tax		**(8,809,641.46)**	8,355,080.25
Total comprehensive income		**1,249,420,547.12**	821,942,030.02
Attributable to:			
Shareholders of the parent		**1,083,201,040.33**	733,757,105.39
Non-controlling interests		**166,219,506.79**	88,184,924.63
Earnings per share			
Basic earnings per share (RMB/share)	61	**0.63**	0.43
Diluted earnings per share (RMB/share)	61	**0.63**	0.43

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		**5,421,561,870.43**	4,317,108,205.10
Cash receipts from tax refunds		**4,559,979.95**	35,396,786.77
Other cash receipts relating to operating activities	57	**56,672,701.10**	53,569,310.15
Subtotal of cash inflows from operating activities		**5,482,794,551.48**	4,406,074,302.02
Cash payments for goods purchased and services received		**2,128,904,714.79**	1,863,121,188.85
Cash payments to and on behalf of employees		**599,452,009.12**	541,487,547.06
Payments of various types of taxes and surcharges		**1,023,986,439.78**	514,865,778.09
Other cash payments relating to operating activities	57	**117,719,785.23**	51,606,532.85
Subtotal of cash outflows from operating activities		**3,870,062,948.92**	2,971,081,046.85
Net cash flows from operating activities	58	**1,612,731,602.56**	1,434,993,255.17
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments	57	**–**	452,748,255.11
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets		**420,667.89**	86,091.67
Other cash receipts relating to investing activities	57	**204,000,000.00**	205,801,065.28
Subtotal of cash inflows from investing activities		**204,420,667.89**	658,635,412.06
Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets		**965,917,321.36**	675,742,924.13
Cash payments for investments		**–**	4,724,898.98
Net cash payments for acquisitions of subsidiaries	58	**90,816,054.13**	67,730,504.20
Other cash payments relating to investing activities	57	**13,145,124.82**	222,354,000.00
Subtotal of cash outflows from investing activities		**1,069,878,500.31**	970,552,327.31
Net cash flows used in investing activities		**(865,457,832.42)**	(311,916,915.25)

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note V	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		**2,921,078,842.60**	166,600,000.00
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		**–**	166,600,000.00
Cash receipts from borrowings		**934,114,460.00**	659,080,401.04
Other cash receipts relating to financing activities	57	**517,544,506.26**	759,518,429.19
Subtotal of cash inflows from financing activities		**4,372,737,808.86**	1,585,198,830.23
Cash repayments of borrowings		**1,250,406,600.00**	806,061,641.29
Cash payments for distribution of dividends or profits or settlement of interest expenses		**340,181,962.89**	184,734,857.72
Other cash payments relating to financing activities	57	**935,899,861.09**	818,477,086.37
Subtotal of cash outflows from financing activities		**2,526,488,423.98**	1,809,273,585.38
Net cash flows from/(used in) financing activities		**1,846,249,384.88**	(224,074,755.15)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(10,311,841.03)**	15,025,028.35
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	58	**2,583,211,313.99**	914,026,613.12
Add: Opening balance of cash and cash equivalents	58	**2,516,898,967.10**	1,274,634,730.02
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	58	**5,100,110,281.09**	2,188,661,343.14

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	For the six months ended 30 June 2025 (Unaudited)									
	Attributable to shareholders of the parent									
Item	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
I. Opening balance of the current period	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
II. Changes for the period	236,499,800.00	2,667,444,756.91	-	(23,700,611.55)	6,554,054.31	-	802,835,863.40	3,689,633,863.07	138,892,798.54	3,828,526,661.61
(I) Total comprehensive income	-	-	-	(23,700,611.55)	-	-	1,106,901,651.88	1,083,201,040.33	166,219,506.79	1,249,420,547.12
(II) Shareholders' contributions and reductions in capital	236,499,800.00	2,667,444,756.91	-	-	-	-	-	2,903,944,556.91	15,174,494.64	2,919,119,051.55
1. Capital contributed by shareholders	236,499,800.00	2,642,545,292.91	-	-	-	-	-	2,879,045,092.91	-	2,879,045,092.91
2. The amount of share-based payments recorded in shareholders' equity	-	24,899,464.00	-	-	-	-	-	24,899,464.00	-	24,899,464.00
3. Acquisition of subsidiaries	-	-	-	-	-	-	-	-	15,174,494.64	15,174,494.64
(III) Profit distributions	-	-	-	-	-	-	(304,065,788.48)	(304,065,788.48)	(43,220,400.00)	(347,286,188.48)
1. Distributions to shareholders	-	-	-	-	-	-	(304,065,788.48)	(304,065,788.48)	(43,220,400.00)	(347,286,188.48)
(IV) Special reserve	-	-	-	-	6,554,054.31	-	-	6,554,054.31	719,197.11	7,273,251.42
1. Provision in the current period	-	-	-	-	20,032,065.18	-	-	20,032,065.18	1,021,475.49	21,053,540.67
2. Amount utilised in the current period	-	-	-	-	(13,478,010.87)	-	-	(13,478,010.87)	(302,278.38)	(13,780,289.25)
III. Closing balance of the current period	1,900,411,178.00	3,294,181,276.55	220,015,940.99	122,009,689.08	9,901,931.22	269,782,850.97	6,230,173,913.41	11,606,444,898.24	2,945,197,179.45	14,551,642,077.69

The accompanying notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	For the six months ended 30 June 2024 (Unaudited)									
	Attributable to shareholders of the parent									
Item	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
I. Opening balance of the current period	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
II. Changes for the period	–	–	–	23,257,430.00	4,428,490.98	–	628,063,236.49	655,749,157.47	254,784,924.63	910,534,082.10
(I) Total comprehensive income	–	–	–	23,257,430.00	–	–	710,499,675.39	733,757,105.39	88,184,924.63	821,942,030.02
(II) Shareholders' contributions and reductions in capital	–	–	–	–	–	–	–	–	166,600,000.00	166,600,000.00
1. Capital contributed by shareholders	–	–	–	–	–	–	–	–	166,600,000.00	166,600,000.00
(III) Profit distributions	–	–	–	–	–	–	(82,436,438.90)	(82,436,438.90)	–	(82,436,438.90)
1. Distributions to shareholders	–	–	–	–	–	–	(82,436,438.90)	(82,436,438.90)	–	(82,436,438.90)
(IV) Special reserve	–	–	–	–	4,428,490.98	–	–	4,428,490.98	–	4,428,490.98
1. Provision in the current period	–	–	–	–	15,896,592.11	–	–	15,896,592.11	–	15,896,592.11
2. Amount utilised in the current period	–	–	–	–	(11,468,101.13)	–	–	(11,468,101.13)	–	(11,468,101.13)
III. Closing balance of the current period	1,663,911,378.00	927,523,563.85	520,802,985.20	87,965,918.77	5,860,477.34	203,724,471.82	4,439,556,453.56	6,807,739,278.14	2,645,002,948.67	9,452,742,226.81

The accompanying notes to the financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note XVII	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current assets:			
Cash and bank balances		3,381,894,361.97	286,244,649.58
Prepayments		323,614.24	14,820.00
Other receivables	1	571,943,780.29	1,218,723,453.00
Other current assets		–	21,040,455.87
Total current assets		3,954,161,756.50	1,526,023,378.45
Non-current assets:			
Long-term equity investments	2	6,408,219,092.24	6,391,564,080.55
Fixed assets		1,972,274.53	2,559,970.88
Right-of-use assets		5,989,359.04	–
Intangible assets		1,831,808.44	2,120,205.94
Other non-current assets		600,000.00	–
Total non-current assets		6,418,612,534.25	6,396,244,257.37
Total assets		10,372,774,290.75	7,922,267,635.82

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note XVII	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Current liabilities:			
Short-term borrowings		**568,790,275.29**	518,862,162.49
Employee benefits payable		**2,385,804.33**	8,325,897.86
Taxes payable		**2,228,478.56**	709,134.57
Other payables		**858,680,632.80**	653,686,794.39
Non-current liabilities due within one year		**100,465,532.79**	170,324,567.64
Total current liabilities		**1,532,550,723.77**	1,351,908,556.95
Non-current liabilities:			
Long-term borrowings		**137,958,159.94**	433,882,239.22
Lease liabilities		**3,913,139.08**	–
Total non-current liabilities		**141,871,299.02**	433,882,239.22
Total liabilities		**1,674,422,022.79**	1,785,790,796.17
Shareholders' equity:			
Share capital		**1,900,411,178.00**	1,663,911,378.00
Capital reserve		**4,716,199,132.66**	2,048,754,375.75
Less: Treasury shares		**220,015,940.99**	220,015,940.99
Surplus reserve		**287,802,710.23**	287,802,710.23
Retained earnings		**2,013,955,188.06**	2,356,024,316.66
Total shareholders' equity		**8,698,352,267.96**	6,136,476,839.65
Total liabilities and shareholders' equity		**10,372,774,290.75**	7,922,267,635.82

The accompanying notes to the financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	Note XVII	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
Operating income	3	**40,947,090.00**	40,499,925.00
Less: Taxes and surcharges		**158,186.19**	72,312.09
Administrative expenses		**39,569,724.48**	17,798,252.84
Financial expenses		**36,584,598.39**	21,233,485.89
Including: Interest expenses		**20,350,082.51**	28,134,840.70
Interest income		**21,437,420.79**	3,660,091.52
Add: Other income		**138,102.46**	38,816.97
Investment losses		**(21,223.35)**	(86,934.96)
Including: Share of losses of associates	4	**(21,223.35)**	(86,934.96)
Credit impairment reversal		**–**	183.59
Gains on disposal of non-current assets		**8,217.15**	–
Operating (loss)/profit		**(35,240,322.80)**	1,347,939.78
Add: Non-operating income		**2,000.00**	4,000.00
Less: Non-operating expenses		**2,765,017.32**	–
(Loss)/Profit before tax		**(38,003,340.12)**	1,351,939.78
Less: Income tax expenses		**–**	–
Net (loss)/profit		**(38,003,340.12)**	1,351,939.78
Including: Net (loss)/profit from continuing operations		**(38,003,340.12)**	1,351,939.78
Other comprehensive income, net of tax		**–**	–
Total comprehensive (loss)/income		**(38,003,340.12)**	1,351,939.78

The accompanying notes to the financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	**For the six months ended 30 June 2025 (Unaudited)**	For the six months ended 30 June 2024 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from tax refunds	**–**	38,816.97
Other cash receipts relating to operating activities	**45,919,087.94**	467,770,094.51
Subtotal of cash inflows from operating activities	**45,919,087.94**	467,808,911.48
Cash payments to and on behalf of employees	**20,239,200.48**	17,347,438.87
Payments of various types of taxes and surcharges	**323,532.70**	199,632.64
Other cash payments relating to operating activities	**13,632,559.36**	9,253,706.18
Subtotal of cash outflows from operating activities	**34,195,292.54**	26,800,777.69
Net cash flows from operating activities	**11,723,795.40**	441,008,133.79
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash receipts from investment income	**560,000,000.00**	350,000,000.00
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets	**420,667.89**	–
Other cash receipts relating to investing activities	**366,631,752.73**	12,431,102.26
Subtotal of cash inflows from investing activities	**927,052,420.62**	362,431,102.26
Cash payments for purchase or construction of fixed assets, intangible assets and other non-current assets	**697,809.00**	184,809.22
Cash payments for investments	**–**	173,400,000.00
Net cash payments for acquisitions of subsidiaries	**36,341,116.25**	–
Other cash payments relating to investing activities	**228,950,000.00**	27,000,000.00
Subtotal of cash outflows from investing activities	**265,988,925.25**	200,584,809.22
Net cash flows from investing activities	**661,063,495.37**	161,846,293.04

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Item	For the six months ended 30 June 2025 (Unaudited)	For the six months ended 30 June 2024 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash receipts from capital contributions	**2,921,078,842.60**	–
Cash receipts from borrowings	**137,999,950.00**	–
Other cash receipts relating to financing activities	**232,704,873.69**	13,965,000.00
Subtotal of cash inflows from financing activities	**3,291,783,666.29**	13,965,000.00
Cash repayments of borrowings	**458,700,000.00**	350,000,000.00
Cash paid for distribution of dividends or profit and interest expenses	**275,933,050.13**	128,807,693.87
Other cash payments relating to financing activities	**96,052,002.95**	115,028,741.20
Subtotal of cash outflows from financing activities	**830,685,053.08**	593,836,435.07
Net cash flows from/(used in) financing activities	**2,461,098,613.21**	(579,871,435.07)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(38,319,683.67)**	5,623.17
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,095,566,220.31**	22,988,614.93
Add: Opening balance of cash and cash equivalents	**275,719,311.14**	230,344,192.71
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**3,371,285,531.45**	253,332,807.64

The accompanying notes to the financial statements form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	For the six months ended 30 June 2025 (Unaudited)					
Item	**Share capital**	**Capital reserve**	**Less: Treasury shares**	**Surplus reserve**	**Retained earnings**	**Total equity**
I. Opening balance of the current period	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
II. Changes for the period	236,499,800.00	2,667,444,756.91	–	–	(342,069,128.60)	2,561,875,428.31
(I) Total comprehensive income	–	–	–	–	(38,003,340.12)	(38,003,340.12)
(II) Shareholders' contributions and reductions in capital	236,499,800.00	2,667,444,756.91	–	–	–	2,903,944,556.91
1. Capital contributed by shareholders	236,499,800.00	2,642,545,292.91	–	–	–	2,879,045,092.91
2. The amount of share-based payments recorded in shareholders' equity	–	24,899,464.00	–	–	–	24,899,464.00
(III) Profit distributions	–	–	–	–	(304,065,788.48)	(304,065,788.48)
1. Distributions to shareholders	–	–	–	–	(304,065,788.48)	(304,065,788.48)
III. Closing balance of the current period	1,900,411,178.00	4,716,199,132.66	220,015,940.99	287,802,710.23	2,013,955,188.06	8,698,352,267.96

	For the six months ended 30 June 2024 (Unaudited)					
Item	Share capital	Capital reserve	Less: Treasury shares	Surplus reserve	Retained earnings	Total equity
I. Opening balance of the current period	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
II. Changes for the period	–	–	–	–	(81,084,499.12)	(81,084,499.12)
(I) Total comprehensive income	–	–	–	–	1,351,939.78	1,351,939.78
(II) Profit distributions	–	–	–	–	(82,436,438.90)	(82,436,438.90)
1. Distribution to shareholders	–	–	–	–	(82,436,438.90)	(82,436,438.90)
III. Closing balance of the current period	1,663,911,378.00	2,349,541,419.96	520,802,985.20	221,744,331.08	1,762,850,844.03	5,477,244,987.87

The accompanying notes to the financial statements form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2025
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"). The Company is a joint stock company with limited liability incorporated in the PRC. 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 distribution 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 six months ended 30 June 2025
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(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 distribution 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 issued 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.

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I. GENERAL INFORMATION (CONTINUED)

On 10 March 2025, as approved by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the Company's issuance of 205,652,000 shares was listed and commenced trading on the Main Board of the Hong Kong Stock Exchange. On 4 April 2025, the Company issued an additional 30,847,800 H shares through an over-allotment option. The number of H shares in the issue increased from 205,652,000 to 236,499,800 upon full exercise of the over-allotment option. On 24 June 2025, the Company completed the industrial and commercial registration of changes of increasing the registered capital at the Industrial and Commercial Bureau of Inner Mongolia Autonomous Region, and its registered capital was changed to RMB1,900,411,178.00.

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 22 August 2025.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The Group adopts the China Accounting Standards for Business Enterprises and relevant requirements promulgated by the Ministry of Finance (hereafter referred to as "CAS"), and discloses relevant financial information in accordance with "Rules on the Preparation and Report of Information Disclosure for Companies Publicly Issuing Securities No. 15 – General Requirements for Financial Reports (Revised in 2023) (公開發行證券的公司信息披露編報規則第15號—財務報告的一般規定(2023年修訂))". 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.

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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 methods for fixed assets, amortisation methods for intangible assets, recognition and measurement of income and so on.

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the consolidated and the company financial position as at 30 June 2025, and the consolidated and company financial performance and cash flows for the six months ended 30 June 2025.

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

Item	Materiality criteria
Material Individual bad debt provisions for trade receivables/other receivables	Receivables that make bad debt provision individually exceeding 10% of the total amount of each receivable account, and the individual amount exceeds RMB20 million.
Material construction in progress	Individually with a carrying amount exceeding 0.1% of the Group's total assets.
Subsidiaries with material non-controlling interests	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/other 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.

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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 at their respective carrying amounts as recorded by the ultimate controlling party at the date of the combination. 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 capital 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 enterprises 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 consolidation in consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and all of its subsidiaries. A subsidiary is an entity that is controlled by the Company (including an entity, a separable part of an investee, and the 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 or accounting period of subsidiaries are probably 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 when preparing the consolidated financial statements. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated in full 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 shareholders' equity of the subsidiary, the excess amount shall still be allocated against non-controlling interests.

Where a subsidiary is acquired through a business combination not involving entities under common control, the financial performance and cash flows of the acquiree shall be included in the consolidated financial statements of the Group from the date the Group obtains control until the date that such control ceases. In the preparation of the consolidated financial statements, the financial statements of an acquired subsidiary shall be adjusted based on the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities determined at the acquisition date.

Where a subsidiary is acquired through a business combination involving entities under common control, the acquiree's financial performance and cash flows shall be included in the consolidated financial statements as if the acquiree was under the control of the Group at the very beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Foreign currency transactions and translation of financial statements denominated in foreign currency

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; shareholders' 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 "pass-through" 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.

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:

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 assets are 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 financial assets related to hedge accounting.

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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 financial liabilities measured at 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:

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

Recognition and accounting treatment of expected credit losses

Based on expected credit losses ("ECLs"), the Group undertakes impairment treatment and recognises provisions for financial assets at amortised cost.

For receivables that do not contain significant financing components, the Group applies the simplified approach to measure 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 provisions for those instruments at an amount equal to 12-month ECLs, 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 provisions for the instrument at an amount equal to lifetime ECLs, 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 provisions for the financial instrument at an amount equal to lifetime ECLs, 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.

Grouping and basis of determination for impairment provisions based on credit risk characteristics

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 ECLs of financial instruments. The portfolios classified by the Group are the domestic customer portfolio and the overseas customer portfolio.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

Ageing method for credit risk portfolio based on days past due

The Group determines the ageing of accounts based on the invoice date.

Criteria for individual impairment assessment of bad debt provisions

If a counterparty exhibits significantly different credit risk characteristics compared to others within the same 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 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 perpetual inventory system is maintained for the stock system.

At the end of the reporting period, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the current period. 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 shareholders' 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.

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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 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 shareholders' 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 shareholders' equity.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Fixed assets

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 carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss or in the cost of the relevant asset according to the beneficiary when it occurs.

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.

Other than the fixed asset formed by the work 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 net 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 equipment 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 makes adjustments 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 expenditures, including various necessary construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant expenditures.

Construction in progress is transferred to a fixed asset when it is ready for its intended use. The criteria are as follows:

Type	Criteria for transferring to fixed assets
Buildings	Meet the design requirements and be available for use
Machinery	Meet the design requirements and complete the trial production
Vehicles	Actually start to use
Electronic equipment and others	Actually start to use

14. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, whereas other borrowing costs are recorded in profit or loss for the current period.

The capitalisation of borrowing costs commences only when the capital expenditures for the asset and the borrowing costs have been incurred, and the activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss for the current period.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows: where funds are borrowed for a specific purpose, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of those funds; where funds are borrowed under general purpose, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Intangible assets

(1) Useful life of intangible assets

The mining rights are amortised using the units-of-production method. Exploration rights are not amortised untilmining commences. 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 years	Term of land use right
Trademarks	10 years	Registered valid period
Patents	10-14.75 years	The shorter of the patent right term and the estimated useful life
Forest land use rights	55 years	Term of forest land use right
Other intangible assets	5-12 years	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 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.

(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 related assets.

(2) Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance administrated 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 as consideration 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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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:

(1) 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 deliver the goods. The Group generally recognises revenue at the point in time of transfer of the controlling rights of 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)

(1) Contracts for the sale of goods (Continued)

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 or services, 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 or services and the date when the customer pays for such goods will be one year or less.

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.

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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Revenue (Continued)

(2) Contracts for the rendering of services

A contract for the rendering of services between the Group and the customer usually includes performance obligations for dismantling waste electrical and electronic products. In addition to revenue generated from the sale of dismantled products, the Group also receive government incentives for dismantling electronic products. These incentives essentially represent consideration paid by the government for the dismantling services provided by the Group and are not gratuitous in nature. In accordance with revenue recognition standards, the Group reasonably estimates the amount of potential future incentives based on the most recent government incentive policy, its own business operations, etc. The Group also considers constraints on variable considerations included in transaction prices. These incentives are recognised as revenue once the conditions for revenue recognition are met.

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.

Government grants related to assets shall either reduce the carrying amount of the related assets or 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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.

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.

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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, 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.

(1) 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 the right to use the leased asset over the lease term as a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease less any lease incentives received; any initial direct cost incurred; and an estimate of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which it is 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)

(1) 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.

(2) 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 amortised on the same basis as the recognition of rental income over the lease term, and are included in the profit or loss by instalments.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Other significant accounting policies and estimates

1. 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.

2. Work safety fund

The work 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.

3. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as follows:

(1) Fair value hedges, which are hedges of the risk of changes in the fair value of a recognised asset or liability for which a firm commitment (other than exchange rate risk) has not yet been recognised;

(2) Cash flow hedges, which are hedges of the exposure to variability in cash flows that arise from a particular type of risk associated with a recognised asset or liability, a forecast transaction that is probable, or the exchange rate risk embedded in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documents of the hedge relationship, risk management objectives and hedge strategies. The documents include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Other significant accounting policies and estimates (Continued)

3. Hedge accounting (Continued)

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.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

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 hedge relating to debt instruments carried at amortised cost, the adjustments on the carrying amount of the hedged items are amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

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 for the current period. The changes in the fair value of the hedging instrument are also recognised in profit or loss for the current period.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Other significant accounting policies and estimates (Continued)

3. Hedge accounting (Continued)

(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 directly 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. The remaining cash flow hedges are reversed out of the cash flow hedge reserve recognised in other comprehensive income to profit or loss in the same period in which the expected cash flows to be hedged affect profit or loss, if a sale is expected to occur.

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.

4. 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Other significant accounting policies and estimates (Continued)

5. 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 associates;

(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 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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Other significant accounting policies and estimates (Continued)

5. Related parties (Continued)

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, as well as 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 (15) or serve as directors or senior management.

27. Changes in accounting policies and estimates

The Group did not experience any changes in accounting policies and estimates occurred during the reporting period.

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:

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Significant accounting judgements and estimates (Continued)

Judgements (Continued)

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, which 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 the actual amount of impairment loss in the future.

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.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Significant accounting judgements and estimates (Continued)

Estimation uncertainty (Continued)

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.

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 turnover tax	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 zinc: 5% Hanfeng Mining molybdenum: 8% Laos rare earth products: 20%
Urban land use tax	Levied at the annual tax rate per square metre of the actual occupied land area	Based on tax law
Growth and sustainability levy	Gross production	Ghana: Before 31 March 2025: 1%; After that: 3%
Export tariff	Export revenue	Laos rare earth products: 10%

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IV. TAXES (CONTINUED)

1. Major taxes and tax rates (Continued)

The CIT rates of taxable entities not subject to China's 25% statutory tax rate are shown on the following table:

Name of taxable entity	CIT rate for the six months ended 30 June 2025
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%**
Chixia Mining	**35%**

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IV. TAXES (CONTINUED)

2. Tax incentives

(1) According to the "Notice on Gold Tax Policies" (Caishui [2002] No. 142) issued by the Ministry of Finance and the State Administration of Taxation, "Value-added tax ("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, hereinafter referred to as "standard gold") and gold ore sand (including associated gold)." Subsidiaries Jilong Mining, Huatai Mining, Wulong Mining and Jintai Mining are eligible for this policy.

(2) Under Article 27 of the Enterprise Income Tax Law, Article 88 of the Implementing Rules 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 Use Tax Grade Tax Rate Standards in Urban Areas" (He Zhengban [2023] No. 21), effective 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 adjusted the 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 incorporated in Laos, is subject to "Notification 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 is no longer applicable.

(5) According to the "Announcement on Continuing the Corporate Income Tax Policy for Western Development" (Ministry of Finance, State Administration of Taxation, and National Development and Reform Commission Announcement 2020 No.23), enterprises in encouraged industries located in western China are subject 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 on 20 December 2023, obtaining the certificate (number GR202321002655) with a validity period of three years. Its CIT tax rate is levied at a reduced rate of 15% from 2023 to 2025.

(7) Jilong Mining, a subsidiary of the Company, successfully renewed its high-tech enterprise certification on 9 November 2023, obtaining the certificate (number GR202315000502) with a validity period of three years. Its CIT tax rate is levied at a reduced rate of 15% from 2023 to 2025.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Item	30 June 2025	31 December 2024
Cash on hand	416,267.35	618,540.03
Bank deposits	5,099,694,013.74	2,516,280,427.07
Other monetary funds	25,201,736.55	230,543,475.83
Total	5,125,312,017.64	2,747,442,442.93
Including: Total amount deposited outside Mainland China	2,134,343,982.39	1,278,511,847.30

(1) As at 30 June 2025, the balance of the other monetary funds RMB25,201,736.55 were in restriction, which includes: RMB14,592,906.03 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 guarantee deposit with a carrying amount of RMB10,608,830.52 was restricted to use.

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 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 guarantee 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%.

(2) As at 30 June 2025, the Group had no funds deposited overseas with restrictions on repatriation (31 December 2024: Nil).

NOTES TO FINANCIAL STATEMENTS

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets held for trading

Item	30 June 2025	31 December 2024
Financial assets at fair value through profit or loss	9,830,003.47	9,998,984.68
Including:		
Investments in equity instrument	9,830,003.47	9,998,984.68
Total	9,830,003.47	9,998,984.68

3. Derivative financial assets

Item	30 June 2025	31 December 2024
Gold futures contract	3,423,743.62	5,251,800.00
Total	3,423,743.62	5,251,800.00

4. Trade receivables

The trade receivables of Guangyuan Technology, which renders comprehensive resource recycling and utilisation services, comprises of policy-based subsidies and incentive payments from government authorities and have no fixed credit periods. The credit period for trade receivables of other companies selling major metals such as gold, copper, zinc and copper cathodes is generally within 60 days. Trade receivables are non-interest-bearing.

(1) An ageing analysis of the trade receivables

Ageing	30 June 2025	31 December 2024
Within 1 year	247,513,326.08	302,904,390.54
Over 1 year but within 2 years	78,792,270.00	92,642,615.00
Over 2 years but within 3 years	80,035,665.00	74,703,595.00
Over 3 years	152,117,073.00	116,915,138.00
Subtotal	558,458,334.08	587,165,738.54
Less: Bad debt provision for trade receivables	–	–
Total	558,458,334.08	587,165,738.54

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(2) *Disclosure by classification of bad debt provision*

30 June 2025

	Carrying amount		Bad debt provision		
Item	**Amount**	**Proportion (%)**	Amount	Percentage of provision (%)	Net book value
Bad debt provision made individually	377,770,778.00	67.65	–	–	377,770,778.00
Bad debt provision based on credit risk characteristics	180,687,556.08	32.35	–	–	180,687,556.08
Total	558,458,334.08	100.00	–	/	558,458,334.08

31 December 2024

	Carrying amount		Bad debt provision		
Item	**Amount**	**Proportion (%)**	Amount	Percentage of provision (%)	Net book value
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

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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)

Details of the trade receivables for which bad debt provision was made individually, are as follows:

	30 June 2025				31 December 2024		
Item	Carrying amount	Bad debt provision	Proportion (%)	Reason	Carrying amount	Bad debt provision	Proportion (%)
Trade receivables of government subsidies/incentives	377,770,778.00	–	–	Receivables from government have high government credit rating and low default risk, and therefore no provision for bad debts is made.	347,205,358.00	–	–

As at 30 June 2025, trade receivable with bad debt provision based on credit risk characteristics, is as follows:

Item	Carrying amount	Bad debt provision	Proportion (%)
Domestic client portfolio	112,462,561.16	–	–
Overseas client portfolio	68,224,994.92	–	–
Total	180,687,556.08	–	–

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Trade receivables (Continued)

(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
30 June 2025	–	–	–	–	–
31 December 2024	17,933.22	244,957.88	262,891.10	–	–

(4) The five largest amounts of closing balance of trade receivables analysed by debtor

As at 30 June 2025, the details of the five largest amounts of closing balance of trade receivables are as follows:

Name of entity	Closing balance of trade receivables	Proportion to total closing balance of trade receivables (%)	Closing balance of bad debt provision
Government subsidies/incentives	377,770,778.00	67.65	–
Rand Refinery Ltd.	56,776,327.19	10.17	–
Huadian City Gold Sales Co., Ltd.	44,854,500.00	8.03	–
C&D Logistics Group Co., Ltd.	19,364,000.00	3.47	–
Lingbao Yujin Gold Smelting Co., Ltd.	18,000,000.00	3.22	–
Total	516,765,605.19	92.54	–

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments

The ageing analysis of prepayments is as follows:

Ageing	30 June 2025 Carrying amount	30 June 2025 Proportion (%)	31 December 2024 Carrying amount	31 December 2024 Proportion (%)
Within 1 year	**179,836,580.98**	**99.76**	276,016,620.17	99.83
Over 1 year but within 2 years	**432,989.80**	**0.24**	457,951.13	0.17
Over 2 years but within 3 years	**8,456.05**	**–**	10,000.00	–
Total	**180,278,026.83**	**100.00**	276,484,571.30	100.00

As at 30 June 2025, the aggregate amount of five entities with the largest balances of prepayments is as follows:

Name of entity	Closing balance	Proportion to total closing balance of prepayments (%)
Aggregate amount	**45,436,023.76**	**25.20**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

Item	30 June 2025	31 December 2024
Other receivables	73,710,059.62	96,187,623.04

An ageing analysis of other receivables:

Ageing	30 June 2025	31 December 2024
Within 1 year	63,414,301.43	79,923,712.51
Over 1 year but within 2 years	6,068,509.45	12,417,606.02
Over 2 years but within 3 years	314,074.10	8,925,164.89
Over 3 years	9,207,363.15	295,182.35
Subtotal	79,004,248.13	101,561,665.77
Less: Bad debt provision for other receivables	5,294,188.51	5,374,042.73
Total	73,710,059.62	96,187,623.04

Other receivables by nature:

Nature	30 June 2025	31 December 2024
Entity transactions	25,733,367.03	33,342,288.82
Employee borrowings, reserves and personal transactions	20,094,840.59	18,736,944.84
Guarantees and deposits	27,317,754.73	45,172,683.01
Government grants	3,847,800.00	3,847,800.00
Insurance claims	1,897,011.15	385,330.57
Others	113,474.63	76,618.53
Total	79,004,248.13	101,561,665.77

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

30 June 2025

Item	Carrying amount Amount	Carrying amount Proportion (%)	Bad debt provision Amount	Bad debt provision Percentage of provision (%)	Net book value
Bad debt provision made individually	79,004,248.13	100.00	5,294,188.51	6.70	73,710,059.62

31 December 2024

Item	Carrying amount Amount	Carrying amount Proportion (%)	Bad debt provision Amount	Bad debt provision Percentage of provision (%)	Net book value
Bad debt provision made individually	101,561,665.77	100.00	5,374,042.73	5.29	96,187,623.04

Other receivables for which bad debt provision has been made individually are as follows:

Item	30 June 2025 Carrying amount	30 June 2025 Bad debt provision	30 June 2025 Proportion (%)	30 June 2025 Reason for provision	31 December 2024 Carrying amount	31 December 2024 Bad debt provision	31 December 2024 Proportion (%)
Available funds in the Shanghai Gold Exchange and stock and futures accounts	17,415,885.40	–	–	Margin receivable has relatively low default risk, and therefore no provision for bad debts is made	39,568,837.65	–	–
Others	61,588,362.73	5,294,188.51	8.60		61,992,828.12	5,374,042.73	8.67
Total	79,004,248.13	5,294,188.51	/		101,561,665.77	5,374,042.73	/

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

The movement of bad debt provision for other receivables based on 12-month ECLs and the entire lifetime ECLs are as follows:

Bad debt provision	Stage 1 12-month ECLs	Stage 2 Entire lifetime ECLs (not yet credit-impaired)	Stage 3 Entire lifetime ECLs (credit-impaired)	Total
At 1 January 2025	5,374,042.73	–	–	5,374,042.73
Provision during the period	2,295,624.73	–	–	2,295,624.73
Reversal during the period	187,539.20	–	–	187,539.20
Write-off during the period	2,187,939.75	–	–	2,187,939.75
At 30 June 2025	5,294,188.51	–	–	5,294,188.51

The movements of bad debt provision

	Opening balance	Provision	Recovery or reversal	Write-off	Closing balance
30 June 2025	**5,374,042.73**	**2,295,624.73**	**187,539.20**	**2,187,939.75**	**5,294,188.51**
31 December 2024	7,022,478.26	321,798.52	1,970,234.05	–	5,374,042.73

Write-off of other receivables during the period

For the six months ended 30 June 2025, the Group written off other receivables RMB2,187,939.75 (2024: Nil).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

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 30 June 2025 are as follows:

Name of entity	Closing balance	Proportion to total other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
COFCO Futures (International) Co., Ltd.	14,957,256.94	18.93	Futures account deposit	Within 1 year	–
Dandong Zhen'an District Urban and Rural Construction and Real Estate Development Co., Ltd.	6,000,000.00	7.59	Entities transactions	Over 3 years	3,000,000.00
Hefei Bureau of Economy and Information Technology	3,847,800.00	4.87	Government grants	Over 1 year but within 2 years	–
TD Lao and MVDC Joint Venture	2,702,083.51	3.42	Entities transactions	Within 1 year	–
KHOUNXAY PHATTHANA CONST	2,213,759.04	2.80	Entities transactions	Within 1 year	–
Total	29,720,899.49	37.61	/	/	3,000,000.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories by nature

	30 June 2025			31 December 2024		
Item	Carrying amount	Provision	Net book value	Carrying amount	Provision	Net book value
Raw materials	1,098,602,186.45	212,817,606.38	885,784,580.07	1,048,004,586.55	196,414,284.95	851,590,301.60
Work in progress	1,725,980,481.51	–	1,725,980,481.51	1,577,437,753.47	–	1,577,437,753.47
Finished goods	152,222,819.35	2,032,830.81	150,189,988.54	113,029,537.09	2,225,668.65	110,803,868.44
Consumable materials	381,100.00	–	381,100.00	486,100.00	–	486,100.00
Total	2,977,186,587.31	214,850,437.19	2,762,336,150.12	2,738,957,977.11	198,639,953.60	2,540,318,023.51

(2) Provision for inventories

For the six months ended 30 June 2025

		Additions		Reductions		
Item	Opening balance	Provision	Others	Reversal or write-back	Other	Closing balance
Raw materials	196,414,284.95	17,260,555.30	–	–	857,233.87	212,817,606.38
Finished goods	2,225,668.65	90,819.54	–	283,657.38	–	2,032,830.81
Total	198,639,953.60	17,351,374.84	–	283,657.38	857,233.87	214,850,437.19

Note: "Others" under "Reductions" refers to the decrease in raw materials and finished goods caused by exchange difference on translation of foreign operations.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

(2) Provision for inventories (Continued)

Item	Determination basis of net realisable value	Basis of making provision for decline in value of inventories	Reasons for reversal of provision for decline in value of inventories
Raw materials	Market price of raw materials/Market price of relevant finished goods	Defectiveness and obsolescence/Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
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/Contract price	Decrease in market price	Increase in market price

Details of provision for decline in value of inventories based on group are as follows:

	30 June 2025			31 December 2024		
Item	Carrying amount	Provision	Proportion (%)	Carrying amount	Provision	Proportion (%)
Raw materials	1,098,602,186.45	212,817,606.38	19.37	1,048,004,586.55	196,414,284.95	18.74
Work in progress	1,725,980,481.51	–	–	1,577,437,753.47	–	–
Finished goods	152,222,819.35	2,032,830.81	1.34	113,029,537.09	2,225,668.65	1.97
Consumable materials	381,100.00	–	–	486,100.00	–	–
Total	2,977,186,587.31	214,850,437.19	/	2,738,957,977.11	198,639,953.60	/

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other current assets

Item	30 June 2025	31 December 2024
Deductible VAT	**119,332,929.58**	33,156,484.14
Prepaid CIT	**14,205,818.95**	–
Margin deposits for futures	**10,159,699.88**	87,136,340.00
Professional service fees for IPO listing in Hong Kong Stock Market	**–**	21,040,455.87
Total	**143,698,448.41**	141,333,280.01

Note: As at 30 June 2025, the Group's restricted other current assets amounted to RMB10,159,699.88 (31 December 2024: RMB87,136,340.00), with the restriction arising from futures margin requirements.

9. Long-term receivables

	30 June 2025			31 December 2024		
Item	Carrying amount	Bad debt provision	Net book value	Carrying amount	Bad debt provision	Net book value
Sublease receivables *(Note)*	**228,313.31**	**–**	**228,313.31**	1,190,808.13	–	1,190,808.13
Total	**228,313.31**	**–**	**228,313.31**	1,190,808.13	–	1,190,808.13

Note: The sublease receivables are discounted at an annual rate of 6.50%.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Long-term equity investments

Item	Opening balance	Movements during the period: Additions	Reductions	Investment income/(losses) under the equity method	Foreign currency translation adjustment	Closing balance	Closing balance of impairment provision
Associates							
Shanghai Chijin Fengyu New Energy Technology Co., Ltd. ("Fengyu New Energy")	1,396,221.49	–	–	(35,087.00)	–	**1,361,134.49**	**–**
Beijing Guohong Gold Co., Ltd. ("Guohong Gold")	21,949.83	–	–	13,863.65	–	**35,813.48**	**–**
Shanghai Chijin Enbo Technology Partnership (Limited Partnership) ("Enbo Technology")	2,512,274.35	–	–	–	–	**2,512,274.35**	**–**
Shanghai Enbo Chijin New Energy Technology Co., Ltd. ("Enbo New Energy")	25,200.00	–	–	–	–	**25,200.00**	**–**
Total	3,955,645.67	–	–	(21,223.35)	–	**3,934,422.32**	**–**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Fixed assets

Item	Buildings	Well construction and auxiliary facilities	Machinery	Vehicles	Electronic equipment and others	Total
Cost						
Opening 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
Purchases	1,244,998.95	52,000.00	17,713,203.62	2,329,526.90	1,740,984.83	23,080,714.30
Transferred from construction in progress	26,958,389.72	160,569,121.59	20,751,133.73	10,099,941.50	50,629.00	218,429,215.54
Additions from acquisitions	26,516,787.44	–	8,603,417.29	2,422,939.24	84,077.60	37,627,221.57
Disposals or write-off	(582,599.31)	–	–	(895,663.71)	(22,158.00)	(1,500,421.02)
Foreign currency translation adjustment	(3,618,407.21)	(20,291,974.40)	(25,304,265.09)	(3,564,505.72)	(429,081.14)	(53,208,233.56)
Others	(12,494,135.88)	3,637,719.53	(14,498,119.81)	(284,000.00)	–	(23,638,536.16)
Closing balance	1,631,499,187.38	6,980,532,761.21	6,702,463,351.06	903,485,315.23	161,727,516.42	16,379,708,131.30
Accumulated depreciation						
Opening 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
Charge for the period	38,118,314.77	241,452,207.45	143,331,304.29	24,840,317.85	4,551,082.79	452,293,227.15
Disposals or write-off	(170,148.57)	–	–	(850,880.53)	(13,065.42)	(1,034,094.52)
Foreign currency translation adjustment	(2,557,459.93)	(9,466,721.34)	(21,661,051.01)	(3,001,863.98)	(392,499.33)	(37,079,595.59)
Others	–	–	(3,577,285.63)	(269,800.00)	–	(3,847,085.63)
Closing balance	806,862,781.94	2,996,027,715.25	5,501,417,773.06	746,093,607.87	139,332,416.17	10,189,734,294.29
Impairment provision						
Opening balance	–	–	–	–	–	–
Closing balance	–	–	–	–	–	–
Net book value						
At the end of the period	824,636,405.44	3,984,505,045.96	1,201,045,578.00	157,391,707.36	22,395,100.25	6,189,973,837.01
At the beginning of the period	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

As at 30 June 2025, the Group had no fixed assets that were temporarily idle.

At 30 June 2025, fixed assets leased out under operating leases were as follows:

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	4,164,663.04	3,245,878.95	–	918,784.09

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Fixed assets (Continued)

As at 30 June 2025, 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	927,541.80	In progress
No. 1 Office Building of Guangyuan Technology	1,070,000.00	In progress
No. 2 Office Building of Guangyuan Technology	401,250.00	In progress

As at 30 June 2025, 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

Item	**30 June 2025**	31 December 2024
Construction in progress	**1,171,292,284.79**	677,866,937.65
Less: Impairment provision	**–**	–
Total	**1,171,292,284.79**	677,866,937.65

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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 period

The movements of material construction in progress are as follows:

Project Name	Budget	Opening balance	Additions	Transferred to fixed assets	Foreign currency translation adjustment	Closing balance	Source of funds	Progress of project (%)
Downward excavation of the new Luofengmao shaft in Jilong Mining	35,711,700.00	33,696,669.19	633,786.43	–	–	34,330,455.62	Self-funding	96%
TSF 2 Cell 3 Site construction in GSR	84,921,733.96	13,306,902.84	42,247,194.06	–	(203,949.31)	55,350,147.59	Self-funding	65%
LXML Improvement of the extended area of the western tailings storage	248,331,834.00	48,148,388.56	30,287,204.37	–	(30,141.30)	78,405,451.63	Self-funding	81%
LXML WTFS development project	141,711,645.60	61,026,933.49	5,627,671.79	8,574,302.25	(38,203.38)	58,042,099.65	Self-funding	97%
LXWL Flotation Plant Upgrade-Column Cell	65,501,190.00	13,005,877.02	40,445,255.85	–	(8,141.79)	53,442,991.08	Self-funding	81%
LXML regrinding mill project	50,933,439.00	48,517,303.36	2,657.18	–	(30,372.25)	48,489,588.29	Self-funding	95%
LXML resin leaching project	116,012,271.60	38,307,883.30	1,962,650.68	–	(23,981.07)	40,246,552.91	Self-funding	35%
LXWL Khanong Cu Development	49,043,568.60	7,812,667.68	23,071,010.37	–	(4,890.80)	30,878,787.25	Self-funding	63%
LXML the first-stage construction project of the underground drainage pumping station	24,575,473.80	23,450,307.72	–	–	(14,680.02)	23,435,627.70	Self-funding	95%

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Right-of-use assets

Item	Buildings	Machinery and equipment	Leasehold land	Total
Cost				
Opening balance	20,429,259.00	216,434,645.89	77,556,138.11	314,420,043.00
Additions	7,985,812.00	–	2,928,216.00	10,914,028.00
Foreign currency translation adjustment	(10,479.17)	(908,419.82)	–	(918,898.99)
Closing balance	28,404,591.83	215,526,226.07	80,484,354.11	324,415,172.01
Accumulated depreciation				
Opening balance	18,533,406.70	72,033,448.70	17,055,480.23	107,622,335.63
Charge for the period	2,627,643.99	12,155,522.09	3,372,423.03	18,155,589.11
Foreign currency translation adjustment	(4,480.11)	(352,603.73)	–	(357,083.84)
Closing balance	21,156,570.58	83,836,367.06	20,427,903.26	125,420,840.90
Net book value				
At the end of the period	7,248,021.25	131,689,859.01	60,056,450.85	198,994,331.11
At the beginning of the period	1,895,852.30	144,401,197.19	60,500,657.88	206,797,707.37

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets

Item	Land use rights	Trademarks	Patents	Exploration and mining rights	Forest land use rights	Exploration and evaluation assets	Other intangible assets	Total
Cost								
Opening 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
Purchases	–	–	–	–	–	143,717,240.76	–	143,717,240.76
Additions from acquisitions	–	–	–	178,634,784.49	–	–	–	178,634,784.49
Reclassification	–	–	–	9,486,168.26	–	(9,486,168.26)	–	–
Foreign currency translation adjustment	–	–	–	(37,263,481.32)	–	(353,878.35)	(286,773.50)	(37,904,133.17)
Closing balance	115,410,734.05	300,000.00	6,714,748.35	10,278,953,881.79	567,680.00	227,747,374.85	73,439,543.10	10,703,133,962.14
Accumulated amortisation								
Opening 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
Amortisation provided for the period	1,176,466.69	–	347,355.09	123,917,298.38	5,160.72	–	2,048,969.51	127,495,250.39
Foreign currency translation adjustment	–	–	–	(14,303,039.53)	–	–	(249,451.19)	(14,552,490.72)
Closing balance	17,459,939.39	300,000.00	4,888,627.74	4,074,015,365.89	129,878.13	–	61,844,680.84	4,158,638,491.99
Impairment provision								
Opening balance	–	–	–	53,995,800.00	–	–	–	53,995,800.00
Closing balance	–	–	–	53,995,800.00	–	–	–	53,995,800.00
Net book value								
At the end of the period	97,950,794.66	–	1,826,120.61	6,150,942,715.90	437,801.87	227,747,374.85	11,594,862.26	6,490,499,670.15
At the beginning of the period	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

As at 30 June 2025, the Group has no intangible assets subject to any restrictions on ownership or usage rights.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Goodwill

Item	Opening balance and closing balance
Guangyuan Technology	41,968,889.08

16. Long-term deferred expense

Item	Opening balance	Addition	Amortisation	Closing balance
License fees for mining right	350,312.50	–	24,375.00	**325,937.50**
Total	350,312.50	–	24,375.00	**325,937.50**

17. Deferred tax assets/liabilities

Deferred tax assets before offsetting

Item	**30 June 2025** Deductible temporary differences	**30 June 2025** Deferred tax assets	31 December 2024 Deductible temporary differences	31 December 2024 Deferred tax assets
Bad debt provision for receivables	**5,160,541.04**	**807,213.01**	5,239,831.87	821,357.03
Provision for inventories	**5,447,251.62**	**1,010,620.75**	5,663,860.45	1,064,772.96
Provisions – land restoration obligations	**175,624,625.79**	**48,416,380.37**	177,224,868.34	48,923,533.60
Deferred income	**6,202,500.87**	**930,375.09**	6,838,500.83	1,063,925.09
Changes in fair value	**–**	**–**	107,738,300.00	16,160,745.00
Lease liabilities	**149,546,076.00**	**52,341,126.60**	164,313,102.17	57,509,585.76
Differences of depreciation and amortisation for tax purposes	**195,638,638.93**	**64,604,762.97**	150,383,256.30	50,127,752.10
Other	**64,180,998.90**	**9,627,149.82**	64,421,163.52	9,556,602.59
Total	**601,800,633.15**	**177,737,628.61**	681,822,883.48	185,228,274.13

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Deferred tax assets/liabilities (Continued)

Deferred tax liabilities before offsetting

Item	30 June 2025 Taxable temporary differences	30 June 2025 Deferred tax liabilities	31 December 2024 Taxable temporary differences	31 December 2024 Deferred tax liabilities
Changes in fair value	931,477.03	310,492.40	5,251,800.00	787,770.00
Differences of depreciation and amortisation for tax purposes	1,223,644,992.51	414,854,236.65	1,217,598,882.55	416,852,092.52
Fixed assets – land restoration obligations	64,941,288.61	10,845,891.99	66,828,997.55	11,129,048.63
Business combination not under common control	5,552,191,672.14	1,943,267,085.25	5,594,835,235.49	1,958,192,332.42
Right-of-use assets	131,689,859.01	46,091,450.66	144,401,197.20	50,540,419.02
Other	97,076,304.77	21,389,958.46	67,354,802.42	10,103,220.37
Total	7,070,475,594.07	2,436,759,115.41	7,096,270,915.21	2,447,604,882.96

Net balance of the deferred tax assets and deferred tax liabilities after offsetting

Item	30 June 2025 Offset amount	30 June 2025 Closing balance after offsetting	31 December 2024 Offset amount	31 December 2024 Closing balance after offsetting
Deferred tax assets	110,837,323.78	66,900,304.83	117,999,627.69	67,228,646.44
Deferred tax liabilities	110,837,323.78	2,325,921,791.63	117,999,627.69	2,329,605,255.27

Details of the unrecognised deferred tax assets

Item	30 June 2025	31 December 2024
Deductible temporary differences – bad debt provision for receivables	133,647.47	134,210.86
Deductible temporary differences – provisions for land restoration obligations	1,229,945.05	1,103,791.07
Deductible tax losses	400,632,696.60	360,793,545.04
Total	401,996,289.12	362,031,546.97

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Deferred tax assets/liabilities (Continued)

Deductible tax losses of unrecognised deferred tax assets will expire in the following years:

Year	30 June 2025	31 December 2024	Note
2025	4,668,142.74	4,668,142.74	/
2026	46,636,566.58	46,636,666.58	/
2027	134,244,057.15	134,244,057.17	/
2028	43,730,262.14	44,907,991.32	/
2029	71,423,709.48	73,693,030.17	/
2030 and the following years	99,929,958.51	56,643,657.06	/
Total	400,632,696.60	360,793,545.04	/

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.

18. Other non-current assets

	30 June 2025			31 December 2024		
Item	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Mine restoration and improvement of ecological environment in mines fund	120,269,577.13	–	120,269,577.13	113,848,420.90	–	113,848,420.90
Prepayments for equipment	11,566,582.11	–	11,566,582.11	14,095,804.80	–	14,095,804.80
Prepayments for constructions	14,940,613.67	–	14,940,613.67	10,001,963.48	–	10,001,963.48
Payments for acquisition	–	–	–	68,570,147.60	–	68,570,147.60
Less: the portion due within one year	–	–	–	–	–	–
Total	146,776,772.91	–	146,776,772.91	206,516,336.78	–	206,516,336.78

As at 30 June 2025, the balance of the other non-current assets (including the portion due within one year) RMB120,269,577.13 was in restriction (31 December 2024: RMB113,848,420.90) 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

30 June 2025

Item	Carrying amount	Reasons of being restriction
Cash and bank balances	25,201,736.55	Please refer to Note V.1 to the financial statements
Other current assets	10,159,699.88	Please refer to Note V.8 to the financial statements
Other non-current assets	120,269,577.13	Please refer to Note V.18 to the financial statements
Fixed assets	205,393,517.22	Please refer to Note V.29 to the financial statements
Total	361,024,530.78	

20. Short-term borrowings

Item	30 June 2025	31 December 2024
Guaranteed borrowings	50,036,250.00	313,337,113.18
Gold lease	821,364,052.06	494,636,974.72
Credit borrowings	300,195,833.33	300,225,077.77
Total	1,171,596,135.39	1,108,199,165.67

As at 30 June 2025, all short-term borrowings are denominated in RMB (as 31 December 2024: RMB and US dollar). As at 30 June 2025, the annual interest rates of the above-mentioned borrowings ranged from 2.35% to 3.20% (31 December 2024: from 2.35% to 5.70%).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Short-term borrowings (Continued)

(1) Guaranteed borrowings

As at 30 June 2025, the Group provided guarantees for the bank loans of Jilong Mining amounting to RMB50,036,250.00 (31 December 2024: the Group provided guarantees for the bank loans of Jilong Mining, Guangyuan Technology, and LXML, amounting to RMB313,337,113.18).

(2) 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. Accordingly, the Group recognizes the present value of the amount repayable at maturity as short-term borrowings.

As at 30 June 2025, The Company has provided guarantees for gold lease totaling RMB552,769,610.10, including RMB299,277,734.11 for Jilong Mining and RMB253,491,875.99 for Wulong Mining. (31 December 2024: the Group provided guarantees for the gold lease by Jilong Mining amounting to RMB275,999,890.00).

As at 30 June 2025, the Group had no overdue and unpaid short-term borrowings (31 December 2024: Nil).

21. Financial liabilities held for trading

Item	**30 June 2025**	31 December 2024
Financial liabilities at fair value through profit or loss	–	707,020,000.00
Including:		
Gold lease	–	707,020,000.00
Total	–	707,020,000.00

The Group financed through leasing gold from banks and subsequently sold the leased gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (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.

Item	30 June 2025	31 December 2024
Payables for procurement of materials	288,008,123.37	283,881,250.13
Payables for services	228,148,896.20	210,723,785.00
Payables for constructions	150,886,352.12	118,326,565.73
Payables for equipment	24,530,482.59	44,902,109.55
Payables for transportation	23,220,712.02	22,798,835.44
Others	7,284,766.99	3,938,637.89
Total	722,079,333.29	684,571,183.74

An ageing analysis of the trade payables, based on the invoice dates, is as follows:

Ageing	30 June 2025	31 December 2024
Within 1 year	711,961,010.74	664,369,929.71
Over 1 year but within 2 years	7,185,666.12	17,022,892.99
Over 2 years but within 3 years	1,953,643.37	2,548,603.73
Over 3 years	979,013.06	629,757.31
Total	722,079,333.29	684,571,183.74

As at 30 June 2025, the Group had no significant trade payables aged over 1 year (as at 31 December 2024: Nil).

23. Contract liabilities

Item	30 June 2025	31 December 2024
Advances from sales of goods	5,356,855.97	4,469,498.46
Contract liabilities of Metal Streaming Arrangement *(Note)*	76,531,466.91	52,129,450.57
Total	81,888,322.88	56,598,949.03

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

Item	Opening balance	Additions	Reductions	Closing balance
Short-term employee benefits	167,748,468.66	586,149,619.45	651,033,551.39	**102,864,536.72**
Post-employment benefits – defined contribution plan	43,144.71	15,445,791.47	15,441,963.47	**46,972.71**
Termination benefits	3,481,961.78	2,743,925.00	6,190,886.78	**35,000.00**
Total	171,273,575.15	604,339,335.92	672,666,401.64	**102,946,509.43**

Short-term employee benefits:

Item	Opening balance	Additions	Reductions	Closing balance
Wages or salaries, bonuses, allowances and subsidies	119,772,497.41	490,479,068.31	531,143,146.79	**79,108,418.93**
Staff welfare	16,491,358.90	64,744,790.28	81,236,149.18	**–**
Social security contributions	324,054.35	16,845,163.22	16,820,451.07	**348,766.50**
Including: Medical insurance	323,384.95	15,324,184.06	15,299,713.51	**347,855.50**
Work-related injury insurance	669.40	1,504,088.48	1,503,846.88	**911.00**
Maternity insurance	–	16,890.68	16,890.68	**–**
Housing provident fund	17,368.00	1,581,042.38	1,535,153.38	**63,257.00**
Employee union fund and employee education fund	10,369,809.30	2,980,511.03	7,444,748.10	**5,905,572.23**
Short-term paid absences	20,773,380.70	9,519,044.23	12,853,902.87	**17,438,522.06**
Total	167,748,468.66	586,149,619.45	651,033,551.39	**102,864,536.72**

Defined contribution plan:

Item	Opening balance	Additions	Reductions	Closing balance
Basic pension insurance	41,837.28	14,764,279.21	14,760,567.21	**45,549.28**
Unemployment insurance	1,307.43	681,512.26	681,396.26	**1,423.43**
Total	43,144.71	15,445,791.47	15,441,963.47	**46,972.71**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Tax payable

Item	30 June 2025	31 December 2024
CIT	496,375,860.84	548,456,058.08
Resources tax	126,514,028.12	125,924,561.33
Individual income tax	7,851,936.81	14,034,020.32
VAT	2,285,928.72	4,859,509.23
Others	19,953,712.88	5,677,196.14
Total	652,981,467.37	698,951,345.10

26. Other payables

Item	30 June 2025	31 December 2024
Other payables	395,587,084.67	225,263,620.79
Dividends payable	37,839,968.00	–
Total	433,427,052.67	225,263,620.79

Other payables by nature

Item	30 June 2025	31 December 2024
Phase III Employee Share Ownership Plan (ESOP)	222,704,873.69	–
Entities transactions	114,888,772.88	127,788,761.47
Deposit and margin	43,113,483.51	39,381,993.69
Overdue fines and penalties	9,916,183.00	12,916,183.00
Withholding of employee payments	1,939,665.82	5,696,347.81
Due to non-controlling shareholders of subsidiaries *(Note)*	–	32,643,060.00
Others	3,024,105.77	6,837,274.82
Total	395,587,084.67	225,263,620.79

Note: In 2023, the Group acquired Kunming Xinhenghe Mining Co., Ltd. ("Xinhenghe Mining"). According to the acquisition agreement, the Group is required to pay the remaining consideration for the equity purchase when Eryuan Jintai Mining Development Co., Ltd. which is a subsidiary of Xinhenghe Mining, obtains the mining permit converted from the original mineral resources exploration permit. The mining permit was obtained on 31 March 2025 and payables due to non-controlling shareholders was fully settled accordingly.

As at 30 June 2025, there were no significant other payables aged more than one year.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Non-current liabilities due within one year

Item	30 June 2025	31 December 2024	
Current portion of long-term borrowings	**353,461,150.22**	282,332,391.58	Please refer to Note V.29 to the financial statements
Current portion of lease liabilities	**34,917,549.20**	37,840,407.18	Please refer to Note V.30 to the financial statements
Current portion of long-term payables	**5,927,204.42**	5,786,190.51	Please refer to Note V.31 to the financial statements
Current portion of provisions	**14,833,710.41**	72,504,936.80	Please refer to Note V.32 to the financial statements
Total	**409,139,614.25**	398,463,926.07	

28. Other current liabilities

Item	30 June 2025	31 December 2024
Output VAT to be transferred	**455,882.58**	506,030.14
Others	**166,050.38**	166,741.62
Total	**621,932.96**	672,771.76

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Long-term borrowings

Classification of long-term borrowings

Item	30 June 2025	31 December 2024
Unsecured and non-guaranteed loans	87,970,909.94	–
Secured and pledged loans	150,452,782.79	604,206,806.86
Guaranteed loans	270,008,392.44	277,628,570.58
Subtotal	508,432,085.17	881,835,377.44
Less: Current portion of long-term borrowings	353,461,150.22	282,332,391.58
Total	154,970,934.95	599,502,985.86

As at 30 June 2025, the long-term borrowings included RMB loans and foreign currency loans, with the principal of RMB256,900,000.00 and USD35,000,000.00 respectively (31 December 2024: RMB loans and foreign currency loans, with the principal of RMB648,560,000.00 and USD33,000,000.00 respectively). As at 30 June 2025, the annual interest rates of the above-mentioned borrowings ranged from 2.70% to 5.57% (31 December 2024: from 3.20% to 5.69%).

(1) Secured and pledged loans

As at 31 December 2024, long-term loan of RMB403,376,482.29 was secured by 100% equity of Wulong Mining, 100% 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. As at 30 June 2025, the loan has been fully repaid, and the procedures for releasing the pledge on the related equity and intangible assets have been completed.

As at 30 June 2025, the Group's long-term loan of RMB150,452,782.79 was secured by the fixed assets of Wulong Mining with the net book value of RMB140,616,279.82 and the fixed assets of Jilong Mining with the net book value of RMB64,777,237.40 (31 December 2024: long-term loan of RMB200,830,324.57 was 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).

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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 loans
As at 30 June 2025, the Group provided guarantees for the bank loans of Jilong Mining amounting to RMB19,031,072.25 and those of LXML amounting to approximately RMB250,977,320.19 (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).

The analysis of the maturity dates of long-term borrowings is as follows:

	30 June 2025	31 December 2024
Within 1 year or repayable on demand	**353,461,150.22**	282,332,391.58
Over 1 year but within 2 years	**139,974,694.75**	379,571,871.75
Over 2 years but within 5 years	**14,996,240.20**	219,931,114.11
Total	**508,432,085.17**	881,835,377.44

30. Lease liabilities

Item	**30 June 2025**	31 December 2024
Lease liabilities	**205,810,261.84**	217,436,431.65
Less: Current portion of lease liabilities	**34,917,549.20**	37,840,407.18
Total	**170,892,712.64**	179,596,024.47

Item	**30 June 2025**	31 December 2024
Opening balance	**217,436,431.65**	245,302,797.42
New leases	**10,914,028.00**	4,837,345.03
Interest recognised during the period	**5,086,078.79**	11,067,559.76
Foreign currency translation adjustment	**(1,212,992.16)**	2,795,333.41
Payments during the period	**(26,413,284.44)**	(46,566,603.97)
Closing balance	**205,810,261.84**	217,436,431.65

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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:

	30 June 2025	31 December 2024
Within 1 year or repayable on demand	**34,917,549.20**	37,840,407.18
Over 1 year but within 2 years	**32,331,192.74**	28,571,618.79
Over 2 years but within 5 years	**92,986,048.22**	91,157,344.26
Over 5 years	**45,575,471.68**	59,867,061.42
Total	**205,810,261.84**	217,436,431.65

31. Long-term payables

Item	**30 June 2025**	31 December 2024
Payables for acquisitions of mining rights	**64,180,998.90**	64,954,023.18
Less: Current portion of long-term payables	**5,927,204.42**	5,786,190.51
Total	**58,253,794.48**	59,167,832.67

The analysis of the maturity dates of long-term payables is as follows:

	30 June 2025	31 December 2024
Within one year or repayable on demand	**5,927,204.42**	5,786,190.51
Over 1 year but within 2 years	**6,219,670.32**	6,071,669.43
Over 2 years but within 5 years	**20,562,379.88**	20,072,891.89
Over 5 years	**31,471,744.28**	33,023,271.35
Total	**64,180,998.90**	64,954,023.18

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Provisions

Item	30 June 2025	31 December 2024
Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries	72,014,631.63	72,153,136.19
Provision for environmental rehabilitation and restoration of mines – LXML	1,601,400,302.74	1,677,809,540.72
Provision for environmental rehabilitation and restoration of mines – GSWL	104,839,939.00	106,175,522.97
Provision for environmental rehabilitation and restoration of mines – Chixia Mining	3,725,438.37	–
Subtotal	1,781,980,311.74	1,856,138,199.88
Less: Current portion of provisions	14,833,710.41	72,504,936.80
Total	1,767,146,601.33	1,783,633,263.08

Item	Opening balance	Additions	Reductions	Foreign currency translation adjustment	Closing balance
Provision for environmental rehabilitation and restoration of mines – domestic subsidiaries	72,153,136.19	1,298,756.46	1,437,261.02	–	72,014,631.63
Provision for environmental rehabilitation and restoration of mines – LXML	1,677,809,540.72	4,007,680.78	73,707,288.78	(6,709,629.98)	1,601,400,302.74
Provision for environmental rehabilitation and restoration of mines – GSWL	106,175,522.97	2,796,704.79	3,695,373.38	(436,915.38)	104,839,939.00
Provision for environmental rehabilitation and restoration of mines – Chixia Mining	–	3,725,438.37	–	–	3,725,438.37
Total	1,856,138,199.88	11,828,580.40	78,839,923.18	(7,146,545.36)	1,781,980,311.74

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 updated according to the latest mine rehabilitation plan.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Deferred income

Item	Opening balance	Additions	Included in other income	Closing balance	Reason
Special subsidies for Tianbaoshan environmental rehabilitation and technological transformation and restructuring of enterprises	333,333.90	–	49,999.98	**283,333.92**	Asset-related
Subsidy funds related to re-modification of mineral processing plant	423,666.93	–	61,999.98	**361,666.95**	Asset-related
Subsidies for new projects granted by Hefei Economic and Information Commission	381,500.00	–	381,500.00	**–**	Asset-related
Special Fund for the High-quality Development of the Manufacturing Industry	300,000.00	–	7,500.00	**292,500.00**	Asset-related
Enterprise Development Support Funds of the Bureau of Industry and Information Technology	5,400,000.00	–	135,000.00	**5,265,000.00**	Asset-related
Total	6,838,500.83	–	635,999.96	**6,202,500.87**	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other non-current liabilities

Item	30 June 2025	31 December 2024
Contract liabilities – Metal Streaming Arrangement	558,230,764.97	596,094,797.55

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 delivering 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 30 June 2025, GSR delivered an accumulated 197,627.56 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 for the six months ended 30 June 2025 are as follows:

	Gold delivery obligation
Opening balance	648,224,248.12
Revenue recognised from delivery of gold	(18,992,112.35)
Financial expenses	8,179,042.87
Adjustment of variable consideration	–
Foreign currency translation adjustment	(2,648,946.76)
Closing balance	634,762,231.88
Including: Current portion of contract liabilities *(Note V. 23)*	76,531,466.91
Closing balance	558,230,764.97

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Share capital

Item	Opening balance	Additions	Closing balance
Share capital	1,663,911,378.00	236,499,800.00	**1,900,411,178.00**

In 2025, as approved by the Listing Committee of the Hong Kong Stock Exchange, the Company's issuance of 205,652,000 shares was listed and commenced trading on the Main Board of the Hong Kong Stock Exchange. Additionally, through the exercise of the over-allotment option, the Company further issued 30,847,800 H shares, resulting in a total increase of 236,499,800 shares in the share capital. The shares were issued at a price of HK$13.72 per share, and the capital reserve was increased by RMB2,642,545,292.91 accordingly.

36. Capital reserve

Item	Opening balance	Additions	Closing balance
Share premium	626,736,519.64	2,642,545,292.91	**3,269,281,812.55**
Amount of share-based payments recorded in shareholders' equity	–	24,899,464.00	**24,899,464.00**
Total	626,736,519.64	2,667,444,756.91	**3,294,181,276.55**

The increase in share premium is disclosed in Note V.35. The increase in other capital reserve relates to the Phase III Employee Share Ownership Plan, as referenced in Note XIII.

37. Treasury shares

Item	Opening and closing balance
Repurchase of shares of the Group for the purpose of Employee Share Ownership Plan	**220,015,940.99**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Other comprehensive income

The accumulated balance of other comprehensive income attributable to shareholders of the parent in the consolidated statement of financial position is as follows:

For the six months ended 30 June 2025

		Movements				
Item	Opening balance	Amount before tax	Less: Income tax expenses	Amount attributable to shareholders of the parent after tax	Amount attributable to non-controlling interests after tax	Closing balance
Other comprehensive income that may be reclassified to profit or loss in subsequent periods	145,710,300.63	(31,339,028.97)	1,171,224.04	(23,700,611.55)	(8,809,641.46)	**122,009,689.08**
Cash flow hedge reserve	–	2,804,019.20	1,171,224.04	1,469,790.00	163,005.16	**1,469,790.00**
Foreign currency translation adjustment	145,710,300.63	(34,143,048.17)	–	(25,170,401.55)	(8,972,646.62)	**120,539,899.08**
Total	145,710,300.63	(31,339,028.97)	1,171,224.04	(23,700,611.55)	(8,809,641.46)	**122,009,689.08**

39. Special reserve

Item	Opening balance	Additions	Reductions	Closing balance
Work safety fund	3,347,876.91	20,032,065.18	13,478,010.87	**9,901,931.22**

40. Surplus reserve

Item	Opening and closing balance
Statutory surplus reserve	**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

Item	30 June 2025	31 December 2024
Opening balance	**5,427,338,050.01**	3,811,493,217.07
Add: Net profit attributable to shareholders of the parent	**1,106,901,651.88**	1,764,339,650.99
Less: Appropriation to statutory surplus reserve	**–**	66,058,379.15
Less: Cash dividends payable for ordinary shareholders	**304,065,788.48**	82,436,438.90
Closing balance	**6,230,173,913.41**	5,427,338,050.01

Pursuant to the resolution of the 2024 AGM on 12 June 2025, the Company distributed a cash dividend of RMB0.16 per share (2024: RMB0.50 per share) to all holders, calculated on the basis of number of the issued shares: i.e., 1,900,411,178 (2024: 1,663,911,378), with an aggregate amount of RMB304,065,788.48 (2024: RMB82,436,438.90).

42. Operating income and operating costs

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
Item	Operating income	Operating costs	Operating income	Operating costs
Principal operations	**5,260,611,037.77**	**2,725,958,092.88**	4,183,147,792.67	2,528,969,635.10
Other operations	**11,426,575.19**	**10,141,109.75**	12,989,054.22	9,566,872.19
Total	**5,272,037,612.96**	**2,736,099,202.63**	4,196,136,846.89	2,538,536,507.29

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Operating income and operating costs (Continued)

The disaggregated information of operating income:

For the six months ended 30 June 2025

	Domestic mining	Overseas mining	Others	Total
Main business areas				
Mainland China	1,215,651,350.50	–	125,775,458.79	1,341,426,809.29
Laos	–	2,427,407,760.17	–	2,427,407,760.17
Ghana	–	1,503,203,043.50	–	1,503,203,043.50
Total	1,215,651,350.50	3,930,610,803.67	125,775,458.79	5,272,037,612.96
Main types of products				
Gold	1,074,383,453.93	3,671,922,665.26	–	4,746,306,119.19
Copper cathodes	–	198,148,299.50	–	198,148,299.50
Copper concentrate	22,960,863.60	–	–	22,960,863.60
Lead concentrate	19,410,482.79	–	–	19,410,482.79
Zinc concentrate	59,364,285.22	–	–	59,364,285.22
Molybdenum concentrate	37,923,719.11	–	–	37,923,719.11
Rare earth products	–	50,915,540.63	–	50,915,540.63
Comprehensive resource recycling and utilisation	–	–	125,581,727.73	125,581,727.73
Others	1,608,545.85	9,624,298.28	193,731.06	11,426,575.19
Total	1,215,651,350.50	3,930,610,803.67	125,775,458.79	5,272,037,612.96
Timing of revenue recognition				
At a point in time	1,215,651,350.50	3,930,589,366.17	125,614,934.98	5,271,855,651.65
Sales of goods	1,215,651,350.50	3,930,589,366.17	95,049,514.98	5,241,290,231.65
Rendering of services	–	–	30,565,420.00	30,565,420.00
Over time	–	21,437.50	160,523.81	181,961.31
Rendering of services	–	21,437.50	160,523.81	181,961.31
Total	1,215,651,350.50	3,930,610,803.67	125,775,458.79	5,272,037,612.96

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Operating income and operating costs (Continued)

The disaggregated information of operating income: (Continued)

For the six months ended 30 June 2024

	Domestic mining	Overseas mining	Others	Total
Main business areas				
Mainland China	985,623,365.75	–	130,085,287.20	1,115,708,652.95
Laos	–	1,693,111,982.95	–	1,693,111,982.95
Ghana	–	1,387,316,210.99	–	1,387,316,210.99
Total	985,623,365.75	3,080,428,193.94	130,085,287.20	4,196,136,846.89
Main types of products				
Gold	850,526,890.23	2,907,680,857.33	–	3,758,207,747.56
Silver	3,689,187.58	–	–	3,689,187.58
Copper cathodes	–	172,323,014.76	–	172,323,014.76
Copper concentrate	6,265,220.33	–	–	6,265,220.33
Lead concentrate	20,013,701.29	–	–	20,013,701.29
Zinc concentrate	39,621,561.21	–	–	39,621,561.21
Molybdenum concentrate	65,034,902.17	–	–	65,034,902.17
Comprehensive resource recycling and utilisation	–	–	117,992,457.77	117,992,457.77
Others	471,902.94	424,321.85	12,092,829.43	12,989,054.22
Total	985,623,365.75	3,080,428,193.94	130,085,287.20	4,196,136,846.89
Timing of revenue recognition				
At a point in time	985,623,365.75	3,080,353,786.31	129,064,572.93	4,195,041,724.99
Sales of goods	985,623,365.75	3,080,353,786.31	100,641,292.93	4,166,618,444.99
Rendering of services	–	–	28,423,280.00	28,423,280.00
Over time	–	74,407.63	1,020,714.27	1,095,121.90
Rendering of services	–	74,407.63	1,020,714.27	1,095,121.90
Total	985,623,365.75	3,080,428,193.94	130,085,287.20	4,196,136,846.89

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Operating income and operating costs (Continued)

The disaggregated information of operating costs:

For the six months ended 30 June 2025

	Domestic mining	Overseas mining	Others	Total
Main business areas				
Mainland China	349,632,769.50	–	105,953,317.84	455,586,087.34
Laos	–	1,381,740,349.47	–	1,381,740,349.47
Ghana	–	898,772,765.82	–	898,772,765.82
Total	349,632,769.50	2,280,513,115.29	105,953,317.84	2,736,099,202.63
Main types of products				
Gold	264,864,852.88	1,893,541,754.34	–	2,158,406,607.22
Copper cathodes	–	318,933,544.24	–	318,933,544.24
Copper concentrate	5,762,379.39	–	–	5,762,379.39
Lead concentrate	8,889,020.40	–	–	8,889,020.40
Zinc concentrate	43,204,879.06	–	–	43,204,879.06
Molybdenum concentrate	25,675,558.08	–	–	25,675,558.08
Rare earth products	–	59,222,089.58	–	59,222,089.58
Comprehensive resource recycling and utilisation	–	–	105,864,014.91	105,864,014.91
Others	1,236,079.69	8,815,727.13	89,302.93	10,141,109.75
Total	349,632,769.50	2,280,513,115.29	105,953,317.84	2,736,099,202.63
Timing of revenue recognition				
At a point in time	349,632,769.50	2,280,513,115.29	105,897,222.16	2,736,043,106.95
Sales of goods	349,632,769.50	2,280,513,115.29	80,129,640.68	2,710,275,525.47
Rendering of services	–	–	25,767,581.48	25,767,581.48
Over time	–	–	56,095.68	56,095.68
Rendering of services	–	–	56,095.68	56,095.68
Total	349,632,769.50	2,280,513,115.29	105,953,317.84	2,736,099,202.63

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For the six months ended 30 June 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Operating income and operating costs (Continued)

The disaggregated information of operating costs: (Continued)

For the six months ended 30 June 2024

	Domestic mining	Overseas mining	Others	Total
Main business areas				
Mainland China	373,624,469.10	–	116,650,952.15	490,275,421.25
Laos	–	1,188,612,176.09	–	1,188,612,176.09
Ghana	–	859,648,909.95	–	859,648,909.95
Total	373,624,469.10	2,048,261,086.04	116,650,952.15	2,538,536,507.29
Main types of products				
Gold	271,766,817.20	1,893,572,652.14	–	2,165,339,469.34
Silver	2,030,976.29	–	–	2,030,976.29
Copper cathodes	–	154,688,433.90	–	154,688,433.90
Copper concentrate	3,948,135.41	–	–	3,948,135.41
Lead concentrate	8,380,389.38	–	–	8,380,389.38
Zinc concentrate	32,441,682.72	–	–	32,441,682.72
Molybdenum concentrate	54,891,273.32	–	–	54,891,273.32
Comprehensive resource recycling and utilisation	–	–	107,249,274.74	107,249,274.74
Others	165,194.78	–	9,401,677.41	9,566,872.19
Total	373,624,469.10	2,048,261,086.04	116,650,952.15	2,538,536,507.29
Timing of revenue recognition				
At a point in time	373,624,469.10	2,048,261,086.04	116,482,352.33	2,538,367,907.47
Sales of goods	373,624,469.10	2,048,261,086.04	90,646,281.37	2,512,531,836.51
Rendering of services	–	–	25,836,070.96	25,836,070.96
Over time	–	–	168,599.82	168,599.82
Rendering of services	–	–	168,599.82	168,599.82
Total	373,624,469.10	2,048,261,086.04	116,650,952.15	2,538,536,507.29

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For the six months ended 30 June 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Operating income and operating costs (Continued)

Revenue recognised during the current period for amounts included in contract liabilities at the beginning of the period is as follows:

Item	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
Advances from sales of goods	**3,606,794.32**	8,118,373.81
Metal Streaming Arrangement	**18,992,112.35**	30,301,297.81
Total	**22,598,906.67**	38,419,671.62

As at 30 June 2025, the estimated timing for revenue recognition from performance obligations under existing contracts that remain unfulfilled or incompletely fulfilled:

Item	**30 June 2025**	31 December 2024
Within 1 year	**81,888,322.88**	80,339,152.51
Over 1 year	**558,230,764.97**	553,061,709.37
Total	**640,119,087.85**	633,400,861.88

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Taxes and surcharges

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Resources tax	264,506,800.70	198,948,575.42
Growth and sustainability levy	33,273,623.80	14,929,131.63
Land use tax	3,452,518.16	2,747,617.84
Property tax	945,016.07	945,848.03
Stamp duty	826,845.68	793,640.88
City construction and maintenance tax	683,154.49	451,693.59
Educational surcharges	682,940.43	785,129.29
Water resources tax	206,500.30	333,665.50
Water conservancy funds	178,708.18	163,820.45
Others	1,017,768.66	1,080,575.48
Total	305,773,876.47	221,179,698.11

44. Selling expenses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Labour costs	129,731.11	119,709.21
Others	60,713.05	130,095.37
Total	190,444.16	249,804.58

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For the six months ended 30 June 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Administrative expenses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Labour costs	133,695,798.64	113,086,955.67
Professional consulting expenses	32,262,399.22	36,473,456.67
Share-based payment expenses	24,899,464.00	–
Office and travelling expenses	18,916,175.74	11,112,420.62
Depreciation and amortisation	14,964,571.79	23,844,670.84
Insurance premium	10,787,194.49	10,863,945.02
Material consumption fees	6,851,411.53	6,281,798.21
Rental fees	4,244,476.25	5,037,963.86
Audit fees	3,886,849.66	3,540,949.95
Entertainment expenses	1,717,767.71	993,258.40
Environmental protection expenses	522,123.38	220,523.57
Others	2,623,531.43	6,594,043.91
Total	255,371,763.84	218,049,986.72

46. Research and development expenses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Labour costs	16,939,799.66	17,339,431.50
Material consumption fees	11,932,481.99	7,102,586.32
Power expenses	4,383,729.65	4,202,034.10
Depreciation	1,392,355.61	4,134,459.02
Others	6,367,165.74	860,085.40
Total	41,015,532.65	33,638,596.34

The research and development expenditures of the Group are all expensed.

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For the six months ended 30 June 2025
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Financial expenses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest expenses	65,599,297.75	103,466,091.68
Less: Interest income	36,538,631.02	16,657,390.25
Foreign exchange losses/(gains)	7,192,706.80	(25,523,355.62)
Financial institution commissions	1,166,326.62	15,383,314.89
Total	37,419,700.15	76,668,660.70

48. Other income

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Government grants relating to daily operating activities	832,381.79	564,777.54
Refunded of withholding personal income tax handling fees	468,207.63	151,933.22
Total	1,300,589.42	716,710.76

49. Investment (losses)/income

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Investment (losses)/income from long-term equity investments under equity method	(21,223.35)	7,261,876.18
Investment (losses)/income received from disposal of financial assets and liabilities held for trading	(112,424,207.38)	61,348,468.23
Investment income from disposal of long-term equity investments	–	71,090,515.60
Total	(112,445,430.73)	139,700,860.01

NOTES TO FINANCIAL STATEMENTS

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Gains/(Losses) on changes in fair value

Source of the changes in fair value	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Financial liabilities held for trading	107,738,300.00	(43,468,080.00)
Financial assets held for trading	(124,661.93)	771,628.20
Derivative financial instruments	(5,251,800.00)	(31,046,160.00)
Total	102,361,838.07	(73,742,611.80)

51. Credit impairment (losses)/reversal

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
(Losses)/reversal of bad debt provision for other receivables	(2,108,085.53)	1,351,896.42
Losses of bad debt provision for trade receivables	–	(227,024.66)
Total	(2,108,085.53)	1,124,871.76

52. Impairment losses on assets

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Impairment losses on inventories	(17,067,717.46)	(1,711,235.83)

53. Gains/(Losses) on disposal of non-current assets

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Gains/(Losses) on disposal of fixed assets	142,132.35	(448,706.10)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Non-operating income

Item	For the six months ended 30 June 2025	Non-recurring profit or loss for the six months ended 30 June 2025	For the six months ended 30 June 2024	Non-recurring profit or loss for the six months ended 30 June 2024
Default penalties	27,457.84	27,457.84	69,459.82	69,459.82
Government grants not related to daily operating activities	10,000.00	10,000.00	–	–
Income from waste disposal	–	–	76,391.27	76,391.27
Others	108,134.08	108,134.08	231,155.50	231,155.50
Total	145,591.92	145,591.92	377,006.59	377,006.59

55. Non-operating expenses

Item	For the six months ended 30 June 2025	Non-recurring profit or loss for the six months ended 30 June 2025	For the six months ended 30 June 2024	Non-recurring profit or loss for the six months ended 30 June 2024
Donations	4,405,098.83	4,405,098.83	181,620.00	181,620.00
Penalties and compensations	1,113,669.35	1,113,669.35	695,477.39	695,477.39
Losses on write-off of non-current assets	–	–	158,116.86	158,116.86
Others	1,195,293.49	1,195,293.49	71,634.56	71,634.56
Total	6,714,061.67	6,714,061.67	1,106,848.81	1,106,848.81

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Income tax expenses

Income tax expenses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Current income tax expenses	575,017,099.68	448,763,773.81
Deferred tax expenses	4,834,049.62	(66,369,653.85)
Total	579,851,149.30	382,394,119.96

Reconciliation of income tax expenses to profit before tax is as follows:

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Profit before tax	1,861,781,949.43	1,172,723,639.73
Income tax expenses calculated at the statutory tax rate of 25%	465,445,487.36	293,180,909.93
Effect of applying different tax rates by certain subsidiaries	86,270,397.26	48,252,776.58
Adjustments in respect of current tax of previous periods	(4,081,172.92)	51,457,441.09
Non-taxable income	(6,523,729.32)	(18,137,875.78)
Non-deductible expenses	28,707,671.33	7,193,700.49
Tax losses utilised from previous periods	(1,077,118.47)	(560,878.96)
Unrecognised deductible temporary differences and tax losses	12,903,383.68	5,838,337.31
Additional deduction for R&D expenses and wages for disabled employees	(1,793,769.62)	(4,830,290.70)
Income tax expense of the Group	579,851,149.30	382,394,119.96

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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

Item	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
Other cash receipts relating to operating activities		
Interest income	**29,795,626.89**	9,512,696.75
Bid security deposits	**10,785,869.78**	7,226,939.86
Entities transactions	**5,204,899.19**	25,246,919.29
Government grants	**380,148.23**	5,982,511.94
Default penalties	**15,400.00**	1,320,349.57
Others	**10,490,757.01**	4,279,892.74
Total	**56,672,701.10**	53,569,310.15
Other cash payments relating to operating activities		
Margin for product hedging operations	**61,949,321.59**	1,499,700.00
Compensation and donation	**8,736,367.34**	1,259,896.78
Return of bid security deposits	**5,530,481.25**	5,255,813.14
Entities transactions	**10,003,765.56**	22,191,474.00
Commissions	**169,724.44**	5,054,857.97
Other administrative expenses	**31,330,125.05**	16,344,790.96
Total	**117,719,785.23**	51,606,532.85

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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

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Material cash receipts relating to investing activities		
Cash receipts from disposals and recovery of investments	–	452,748,255.11
Total	–	452,748,255.11
Other cash receipts relating to investing activities		
Margin refund for futures and other investment products	204,000,000.00	205,801,065.28
Total	204,000,000.00	205,801,065.28
Other cash payments relating to investing activities		
Margin deposit for futures and other investment products	–	222,354,000.00
Others	13,145,124.82	–
Total	13,145,124.82	222,354,000.00

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Note to the statement of cash flows (Continued)

(3) Cash flow relating to financing activities

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Other cash receipts relating to financing activities		
Release of margin deposits related to financing activities	294,839,632.57	142,656,327.04
Receipt of subscription for share-based payment	222,704,873.69	–
Cash receipts from gold lease	–	616,862,102.15
Total	517,544,506.26	759,518,429.19
Other cash payments relating to financing activities		
Repayment of gold lease	777,115,500.00	500,465,000.00
Margin deposits related to financing activities	100,208,800.00	182,110,666.91
Lease payment	26,413,284.44	18,127,313.96
Listing Expenses	22,136,746.09	1,601,527.50
Repayment of third party loan	9,800,000.00	–
Repayment to related party loan	–	110,900,000.00
Others	225,530.56	5,272,578.00
Total	935,899,861.09	818,477,086.37

(4) The movements in various liabilities arising from financing activities are as follows:

Item	Opening balance	Additions: Cash changes	Additions: Non-cash changes	Reductions: Cash changes	Reductions: Non-cash changes	Closing balance
Short-term borrowings	1,108,199,165.67	610,328,960.00	13,576,150.67	560,417,984.30	90,156.65	1,171,596,135.39
Financial liabilities held for trading	707,020,000.00	–	70,095,500.00	777,115,500.00	–	–
Long-term borrowings (including current portion of non-current liabilities)	881,835,377.44	323,785,500.00	14,197,556.27	710,082,083.57	1,304,264.97	508,432,085.17
Lease liabilities (including current portion of non-current liabilities)	217,436,431.65	–	16,000,106.79	26,413,284.44	1,212,992.16	205,810,261.84
Total	2,914,490,974.76	934,114,460.00	113,869,313.73	2,074,028,852.31	2,607,413.78	1,885,838,482.40

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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	For the six months ended 30 June 2025	For the six months ended 30 June 2024
1. Reconciliation of net profit to net cash flows from operating activities:		
Net profit	1,281,930,800.13	790,329,519.77
Add: Provisions for asset impairment	17,067,717.46	1,711,235.83
Credit impairment losses/(reversal)	2,108,085.53	(1,124,871.76)
Depreciation of fixed assets	452,293,227.15	518,317,498.15
Depreciation of right-of-use assets	18,155,589.11	18,348,269.49
Amortisation of intangible assets	127,495,250.39	211,822,732.20
Amortisation of long-term deferred expenses	24,375.00	24,375.00
(Gains)/Losses from disposal of fixed assets, intangible assets and other non-current assets	(142,132.35)	448,706.10
Losses on write-off of fixed assets	–	158,116.86
(Gains)/Losses on changes in fair value	(102,361,838.07)	73,742,611.80
Financial expenses	81,619,589.09	104,061,504.14
Investment losses/(income)	112,445,430.73	(139,700,860.01)
Decrease/(Increase) in deferred tax assets	2,276,796.46	(31,040,236.39)
Increase/(Decrease) in deferred tax liabilities	3,438,981.20	(38,597,390.33)
(Increase)/Decrease in inventories	(99,668,082.94)	31,695,585.28
Increase in special reserve	7,273,251.42	4,428,490.98
Share-based payment	24,899,464.00	–
(Increase)/Decrease in receivables from operating activities	(197,928,418.37)	219,734,076.51
Decrease in payables from operating activities	(118,196,483.38)	(329,366,108.45)
Net cash flows from operating activities	1,612,731,602.56	1,434,993,255.17
2. Net changes in cash and cash equivalents:		
Closing balance of cash	5,100,110,281.09	2,188,661,343.14
Less: Opening balance of cash	2,516,898,967.10	1,274,634,730.02
Net increase in cash and cash equivalents	2,583,211,313.99	914,026,613.12

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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*

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Cash and cash equivalents paid for the acquisitions of subsidiaries in the current period	68,695,050.30	67,730,504.20
Including: Chixia Mining	68,695,050.30	67,730,504.20
Add: Cash and cash equivalents paid in the current year for acquisitions of subsidiaries in previous years	43,880,116.25	–
Including: Xinhenghe Mining	43,880,116.25	–
Less: Cash and cash equivalents held by the subsidiaries at acquisition date	21,759,112.42	–
Including: Chixia Mining	21,759,112.42	–
Net cash paid for the acquisitions of subsidiaries	90,816,054.13	67,730,504.20

(3) *Composition of cash and cash equivalents*

Item	30 June 2025	31 December 2024
I. Cash	5,100,110,281.09	2,516,898,967.10
Including: Cash on hand	416,267.35	618,540.03
Cash at banks that can be drawn on demand	5,099,694,013.74	2,516,280,427.07
II. Closing balance of cash and cash equivalents	5,100,110,281.09	2,516,898,967.10
Including: Restricted cash and cash equivalents held by the Group	–	–

(4) 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

Item	Original currency	Exchange rate	Equivalent to RMB
Cash and cash equivalents			
Including:			
EUR	8,467.83	8.4024	71,150.09
CNY	546,660.88	1.0000	546,660.88
GHC	13,160,855.61	0.6917	9,103,363.83
LAK	32,333,803,218.12	0.0003	9,700,140.97
AUD	16,704,775.42	4.6817	78,206,747.08
THB	1,731,018.85	0.2197	380,304.84
CAD	4,026.09	5.2358	21,079.80
GBP	679,580.44	9.8300	6,680,275.73
HKD	3,012,053,302.20	0.9120	2,746,992,611.61
USD	47,381,976.73	7.1586	339,188,618.62
Other receivables			
Including:			
AUD	2,101.80	4.6817	9,840.00
LAK	3,359,943,000.00	0.0003	1,007,982.90
USD	362,428.04	7.1586	2,594,477.37
HKD	710,637.15	0.9120	648,101.08
Trade payables			
Including:			
EUR	1,043,293.12	8.4024	8,766,166.11
GBP	38,578.82	9.8300	379,229.80
AUD	1,549,559.92	4.6817	7,254,574.68
ZAR	335,098.92	0.4031	135,078.37
GHC	27,588,398.52	0.6917	19,082,895.26
LAK	13,716,668,202.24	0.0003	4,115,000.46
THB	46,651,173.18	0.2197	10,249,262.75
CNY	4,635,409.34	1.0000	4,635,409.34
CAD	9,046.59	5.2358	47,366.14
NZD	14,011.24	4.3475	60,913.87
Other payables			
Including:			
USD	3,212,303.35	7.1586	22,995,594.76

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Monetary items denominated in foreign currencies (Continued)

Name of overseas subsidiaries	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 a lessee

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Interest expense on lease liabilities	**5,086,078.79**	5,705,776.60
Expenses relating to short-term leases accounting for applying practical expedients	**4,212,766.47**	2,990,543.64
Expense relating to low-value leases accounting for applying practical expedients	**31,709.78**	2,047,420.22
Income from sublease of right-of-use assets	**21,437.50**	74,407.63
Total cash outflow related to leases	**30,657,760.69**	23,165,277.82

Note: The Group's leased assets include buildings and structures, machinery and equipment, land use rights, transportation equipment and other equipment used in 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.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Leases (Continued)

(2) As a lessor

Operating leases

The Group has entered into operating leases for 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:

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Lease income	160,523.81	1,020,714.27

Pursuant to the operating lease agreements entered into with lessees, the undiscounted lease payments to be received are as follows:

Item	30 June 2025	31 December 2024
Within 1 year (1 year inclusive)	160,523.81	1,468,714.27
Total	160,523.81	1,468,714.27

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:

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Finance income on net investments in leases	21,437.50	74,407.63

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Leases (Continued)

(2) As a lessor (Continued)

Finance leases (Continued)

The minimum lease receivables under non-cancellable leases with its tenants were as follows:

Item	**30 June 2025**	31 December 2024
Within 1 year (1 year inclusive)	**228,313.31**	1,700,620.46
Over 1 year but within 2 years (2 years inclusive)	**–**	–
Subtotal	**228,313.31**	1,700,620.46
Less: Unrealised finance income	**–**	509,812.33
Net investments in leases	**228,313.31**	1,190,808.13

61. Earnings per share

Item	**For the six months ended 30 June 2025** ***RMB/share***	For the six months ended 30 June 2024 *RMB/share*
Basic earnings per share		
Continuing operations	**0.63**	0.43
Diluted earnings per share		
Continuing operations	**0.63**	0.43

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.

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VI. RESEARCH AND DEVELOPMENT EXPENDITURES

For the research and development expenditures classified by nature, please refer to Note V. 46.

For the six months ended 30 June 2025, there were no research and development expenditures that met the capitalisation conditions in the Group (for the six months ended 30 June 2024: Nil).

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Newly established subsidiary

Longji Mining was incorporated in Chifeng City, Inner Mongolia Autonomous Region on 14 May 2025, with a registered capital of RMB10,000,000. Jilong Mining, a subsidiary of the Company, holds an 85% equity stake in Longji Mining. As of 30 June 2025, the paid-in capital of Longji Mining was RMB0. The newly established subsidiary was included in the scope of consolidation during the reporting period.

2. Acquisition of a subsidiary not constituting a business

The Company's controlled subsidiary, Chijin Xiawu, and its wholly-owned subsidiary, Chijin Laos, entered into a Share Transfer Agreement with China Investment (Properties) Co., Ltd. (hereinafter referred to as "CIP"). Pursuant to the agreement, Chijin Laos acquired a 90% equity interest in China Investment Mining (Laos) Sole Co., Ltd. (hereinafter referred to as the "Target Company") from CIP through a cash and debt-bearing acquisition, with a total transaction consideration of USD18,963,000. On 25 March 2025, the 90% equity interest in the Target Company has transferred to Chijin Laos. The parties formally confirmed the completion of the transaction, and the Target Company has been included in the Group's consolidated financial statements as a subsidiary. As of the acquisition date, the main resource reserves of the project were still in the preliminary construction stage, lacking full processing capability. There had been no products or sales. Therefore, the acquisition was not deemed to constitute a business under the applicable accounting standards. Accordingly, the acquisition was not accounted for as a business combination under non-common control in accordance with Accounting Standards for Business Enterprises No. 20 – Business Combinations.

3. Deregistered subsidiary

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group (%)	Reason for deconsolidation
Hefei Huanchuang	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	55.00	Deregistration

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VIII. INVESTMENTS IN OTHER ENTITIES

1. Investments in subsidiaries

Composition of the Group

30 June 2025

Unit: Yuan Currency: RMB

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Registered capital	Percentage of equity interest (%)		Initial recognition
					Direct	Indirect	
Jilong Mining	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Gold mining	175,000,000	100.00	–	Acquisition
Longji Mining	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Resource Exploration	10,000,000	–	85.00	Newly established
Huatai Mining	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Gold mining	20,000,000	–	100.00	Acquisition
Wulong Mining	Dandong, Liaoning	Dandong, Liaoning	Gold mining	40,000,000	–	100.00	Acquisition
Tongxing Mineral Processing	Dandong, Liaoning	Dandong, Liaoning	Gold ore processing and smelting	5,000,000	–	100.00	Acquisition
Hanfeng Mining	Jilin	Jilin	Non-ferrous metal mining and selection	429,200,000	100.00	–	Acquisition
XInhenghe Mining	Kunming, Yunnan	Kunming, Yunnan	Management services	40,000,000	51.00	–	Acquisition
Jintai Mining *(Note 1)*	Dali, Yunnan	Dali, Yunnan	Gold mining	41,710,000	–	45.90	Acquisition
Guangyuan Technology	Hefei, Anhui	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	44,776,000	55.00	–	Acquisition
Guangyuan Environmental Protection	Hefei, Anhui	Hefei, Anhui	Disassembly of waste electrical and electronic equipment	10,000,000	–	55.00	Newly established
Chijin Fengyu	Shanghai	Shanghai	Trade, import and export of goods or technology	100,000,000	100.00	–	Newly established
Chijin Xiawu	Xiamen	Xiamen	Trade of non-ferrous metal	400,000,000	51.00	–	Newly established
Chixia Laos	Cayman Islands	Cayman Islands	Investment and investment management business	USD50,000	–	51.00	Newly established
Chixia Mining *(Note 2)*	Laos	Laos	Investment and investment management business	LAK15,000,000,000	–	45.90	Acquisition
CIRE Mining *(Note 2)*	Laos	Laos	Rare earth mining	LAK25,200,000,000	–	39.47	Acquisition
CIREX Mining *(Note 2)*	Laos	Laos	Rare earth mining	LAK25,200,000,000	–	39.47	Acquisition
Chijin Laos	Cayman Islands	Cayman Islands	Investment and investment management business	USD152,100,000	100.00	–	Acquisition

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VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

1. Investments in subsidiaries (Continued)

Composition of the Group (Continued)

30 June 2025 (Continued)

Unit: Yuan Currency: RMB

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Registered capital	Percentage of equity interest (%)		Initial recognition
					Direct	Indirect	
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 3)*	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 3)*	Ghana	Ghana	Gold mining	GHC11,000,000	–	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	34,000,000	–	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: As Jintai Mining is a 90% owned subsidiary of Xinhenghe Mining (a direct subsidiary of the Company), the Company indirectly holds an interest in Jintai Mining through its chain of ownership.

Note 2: Chixia Mining is a 90% owned subsidiary of Chixia Laos, which is a wholly-owned subsidiary of Chijin Xiawu (a direct subsidiary of the Company). Therefore, the Company holds an indirect equity interest of 45.9% in Chixia Mining. Both CIRE Mining and CIREX Mining are subsidiaries held 86% by Chixia Mining, leading to the Company's indirect ownership of 39.47% in each of these two companies.

Note 3: Golden Star Resources is a 62% owned subsidiary of Chijin HK (a direct subsidiary of the Company). Therefore, the Company indirectly holds an interest in Golden Star Resources. Golden Star (Wassa) is a 90%-owned subsidiary of Golden Star Resources.

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VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

1. Investments in subsidiaries (Continued)

Significant non-wholly owned subsidiaries:

For the six months ended 30 June 2025

Name of subsidiary	Percentage of equity interest held by non-controlling shareholders	Dividend paid to non-controlling shareholders	Closing balance of non-controlling interests
Guangyuan Technology	45.00	–	160,685,821.68
LXML	10.00	43,220,400.00	359,759,511.13
GSR	38.00	–	2,061,736,842.17
Chijin Xiawu	49.00	–	200,511,961.59
Xinhenghe Mining	49.00	–	162,503,042.88

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:

	30 June 2025					
Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guangyuan Technology	403,482,454.20	70,018,278.37	473,500,732.57	114,385,567.40	–	114,385,567.40
LXML	3,921,919,775.69	2,627,874,957.85	6,549,794,733.54	1,349,212,160.20	1,601,400,302.74	2,950,612,462.94
GSR	880,328,779.03	8,147,881,580.31	9,028,210,359.34	1,566,004,874.49	3,092,673,715.29	4,658,678,589.78
Chijin Xiawu	240,413,732.98	205,088,497.48	445,502,230.46	46,298,525.49	3,725,438.37	50,023,963.86
Xinhenghe Mining	71,320,999.54	325,591,104.10	396,912,103.64	81,784,955.41	13,220,143.24	95,005,098.65

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VIII. INVESTMENTS IN OTHER ENTITIES (CONTINUED)

1. Investments in subsidiaries (Continued)

Significant non-wholly owned subsidiaries: (Continued)

	For the six months ended 30 June 2025			
Name of subsidiary	Revenue	Net profits	Total comprehensive income	Net cash flows from operating activities
Guangyuan Technology	125,775,458.79	10,186,850.98	10,186,850.98	(19,740,522.13)
LXML	2,367,732,100.71	568,189,879.14	555,238,871.71	718,346,119.61
GSR	1,503,203,043.50	158,519,892.30	142,096,466.50	373,426,409.42
Chijin Xiawu	59,675,659.46	(15,404,194.26)	(15,989,951.91)	(67,469,084.83)
Xinhenghe Mining	133,028,388.92	80,075,228.25	80,075,228.25	81,591,872.35

2. Interests in associates

Aggregate financial information of associates that are not individually significant:

Item	30 June 2025/ For the six months ended 30 June 2025
Associates:	
Aggregate book value of the Group's investments in associates	3,934,422.32
Items below were calculated by the proportion of equity interest	
– Share of net loss of associates	(21,223.35)
– Share of other comprehensive loss of associates	–
– Share of total comprehensive loss of associates	(21,223.35)

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IX. GOVERNMENT GRANTS

1. Government grant receivables recognised at the end of the reporting period

As at 30 June 2025, the balance of government grant receivables was RMB3,847,800.

2. Liability items related to government grants

As at 30 June 2025, liability items related to government grants are as follows:

Item	Opening balance	Included in other income	Closing balance	Related to assets/ income
Special subsidies for Tianbaoshan environmental rehabilitation and technological transformation and restructuring of enterprises	333,333.90	49,999.98	**283,333.92**	Related to assets
Subsidy funds related to re-modification of mineral processing plant	423,666.93	61,999.98	**361,666.95**	Related to assets
Subsidies for new projects granted by Hefei Economic and Information Commission	381,500.00	381,500.00	**–**	Related to assets
Special Fund for the High-quality Development of the Manufacturing Industry	300,000.00	7,500.00	**292,500.00**	Related to assets
Enterprise Development Support Funds of the Bureau of Industry and Information Tech	5,400,000.00	135,000.00	**5,265,000.00**	Related to assets
Total	6,838,500.83	635,999.96	**6,202,500.87**	/

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:

Item	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
Government grants related to assets		
Included in other income	**635,999.96**	158,499.96
Government grants related to income		
Included in other income	**196,381.83**	406,277.58
Included in non-operating income	**10,000.00**	–
Total	**842,381.79**	564,777.54

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 including 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, assess, and mitigate relevant risks. The Group's internal audit department conducts periodic reviews of risk management controls and procedures and reports the findings to the Group's Audit Committee.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (Continued)

(1) Credit risk

The Group only deals with approved and reputable third parties. According to the Group's policy, all customers who wish to trade on credit terms are subject to credit verification procedures. 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 low.

Other financial assets of the Group include equity instrument investments, receivables and certain derivatives. The credit risk associated with 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 30 June 2025, the Group had a specific concentration of credit risk. 67.65% and 92.54% of the Group's trade receivables were due from the largest customer and the five largest customers, respectively (as at 31 December 2024: 59.13% and 95.49%, 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 of 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 adverse changes in the debtor's operating environment, 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)

(1) 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 primarily considers the following factors:

(1) significant financial difficulty of the issuer or the debtor;

(2) breach of contract by the debtor, such as defaulting or delaying the payment of 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 restructuring 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 acquired 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)

(2) Liquidity risk

The Group's objective is to maintain a balance between continuity and flexibility of funding by utilising a variety of financing instruments. The Group finances its operations through funds generated from operations and borrowings.

The following table summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows:

30 June 2025

Item	Within 1 year	1 to 5 years	Over 5 years	Total
Short-term borrowings	1,178,106,457.46	–	–	1,178,106,457.46
Trade payables	722,079,333.29	–	–	722,079,333.29
Other payables	433,427,052.67	–	–	433,427,052.67
Long-term borrowings	366,831,073.52	158,310,028.33	–	525,141,101.85
Long-term payables	8,789,500.00	35,158,000.00	34,547,500.00	78,495,000.00
Lease liabilities	43,568,582.89	146,041,980.50	51,208,976.00	240,819,539.39
Total	2,752,801,999.83	339,510,008.83	85,756,476.00	3,178,068,484.66

31 December 2024

Item	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

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X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

2. Risks of financial instruments (Continued)

(3) Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's debt obligations with a floating interest rate. The Group manages interest rate risk by closely monitoring changes in interest rates and reviewing borrowings on a regular basis.

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 Group manages its foreign exchange business in an integrated manner and, when necessary, uses derivative financial instruments such as foreign exchange forward contracts to reduce its exposure to exchange rate risk.

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 30 June 2025, 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 (Note V.2).

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.

Commodity price risk

The Group is mainly exposed to the risk of changes in major metals' prices in the future, including gold, copper and zinc. These commodity price fluctuations may affect the Group's operating performance.

The Group has carried out hedging businesses on the future sales 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 constantly monitoring the price fluctuations of commodity futures contracts.

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X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

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, repurchase shares, issue new shares, etc. The Group is not subject to any externally imposed capital requirements. For the six months ended 30 June 2025 and in 2024, 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:

Item	**30 June 2025**	31 December 2024
Total assets	**23,167,941,546.80**	20,328,568,613.12
Total liabilities	**8,616,299,469.11**	9,605,453,197.04
Debt-to-asset ratio	**37.19%**	47.25%

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X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

4. Hedging

(1) Risk Management through the Implementation of Hedging Business

Item	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 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 is subject to the risk of price changes	The gold purchased in the Group's gold leasing is the same as the corresponding gold purchased in the gold futures contracts. Hedging instruments (gold futures contracts) and the hedges (gold leasing 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.

(2) Conducting eligible hedging business and applying hedge accounting

Item	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 30 June 2025, the hedged item: Expected sales, with no carrying value. As at 30 June 2025, the hedging instruments: derivative financial assets amount to RMB3,423,743.62.	Not Applicable	Expected to be highly effective	For the six months ended 30 June 2025, the spot element loss of derivatives amounted to RMB30,667,241.14, which reduced the gains by RMB30,667,241.14.
Commodity Price Risk – Gold Leasing	Fair value hedging	As at 30 June 2025, the hedged item: Financial liabilities held for trading, with no carrying value. As at 30 June 2025, the hedging instruments: derivative financial assets/liabilities, Closed position with no carrying value.	Not Applicable	Expected to be highly effective	For the six months ended 30 June 2025, the derivative gains of RMB74,410,118.00 were offset against losses of RMB84,347,825.38 on changes in the fair value of the financial liabilities held for trading.

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XI. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

30 June 2025

Item	Fair value at the end of the period Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuous fair value measurement				
(I) Financial assets held for trading				
1. Financial assets at fair value through profit or loss				
Including: Equity instrument investments	9,830,003.47	–	–	9,830,003.47
(II) Derivative financial assets				
Including: Gold futures contracts	3,423,743.62	–	–	3,423,743.62
Total assets measured at fair value continuously	13,253,747.09	–	–	13,253,747.09
(III) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Including: Gold leasing	–	–	–	–
Total liabilities measured at fair value continuously	–	–	–	–

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XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities measured at fair value (Continued)

31 December 2024

Item	Fair value at the end of the period Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuous fair value measurement				
(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
Total assets measured at fair value continuously	15,250,784.68	–	–	15,250,784.68
(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
Total liabilities measured at fair value continuously	707,020,000.00	–	–	707,020,000.00

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XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Level 1 fair value measurement

The fair value of the equity instrument investment in a listed company, 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 30 June 2025, 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 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

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XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent company

The ultimate controller and controlling shareholder of the Group is Ms. Li Jinyang.

2. Subsidiaries

For details of the subsidiaries of the Company, please refer to Note VIII.1 Investments in subsidiaries.

3. Associates

For associates of the Company, please refer to Note VIII. 2 Interests in associates.

4. Other related parties

Name of other related parties	Related party relationships
Beijing Hanfeng United Technology Co., Ltd.	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.	Shareholding company of the actual controller’s immediate family
Liang Xiaoyan	Other shareholders of the subsidiary

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XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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**	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
Eagleleap	Utilities expense	**56,768.00**	52,300.00
Eagleleap	Service fees for catering, accommodation, etc.	**419,175.00**	278,594.00

(2) Related party leases

The Company as a lessee:

For the six months ended 30 June 2025

Related party	**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	**220,000.00**	**–**	**4,224,948.00**	**152,275.08**	**7,985,812.00**

For the six months ended 30 June 2024

Related party	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	50,000.00	–	2,197,474.00	83,831.95	–

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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

Unit: ten thousand yuan Currency: RMB

Guaranteed party	Guaranteed amount	Start date of guarantee	Expiration date of guarantee	Whether the guarantee has been completed
Jilong Mining	10,000	4 November 2024	3 November 2028	No
Jilong Mining	5,000	10 January 2025	9 January 2029	No
Jilong Mining	2,000	15 January 2025	14 January 2029	No
Jilong Mining	20,000	12 June 2025	12 June 2029	No
Wulong Mining	12,000	19 February 2025	13 February 2029	No
Wulong Mining	15,000	26 February 2025	26 February 2029	No
LXML	USD50 million	3 April 2024	30 September 2027	No

All the guarantees provided by the Company as the guarantor are free of charge.

(4) Compensation of key management

Unit: ten thousand yuan Currency: RMB

Item	**For the six months ended 30 June 2025**	For the six months ended 30 June 2024
Compensation of key management	**1,126.09**	993.34

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XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Receivables and payables of related parties

(1) Payables

Item	Related party	30 June 2025	31 December 2024
Other payables	Eagleleap	**9,600.00**	9,600.00
Lease liabilities (Including: due within one year)	Eagleleap	**3,913,139.08**	–

The amounts of payables to related parties are interest free and unsecured.

7. Related party commitments

Unit: ten thousand yuan Currency: RMB

Related party	30 June 2025		31 December 2024	
	Subscribed registered capital	**Paid-in registered capital**	Subscribed registered capital	Paid-in registered capital
Fengyu New Energy	**25,500**	**200**	25,500	200
Enbo Technology	**420**	**252**	420	252
Enbo New Energy	**30**	**2.52**	30	2.52
Guohong Gold	**1,100**	**–**	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 III Employee Stock Ownership Plan

On 30 December 2024, the Company convened the 33rd meeting of the 8th Board of Directors and the 24th meeting of the 7th Board of Supervisors. On 15 January 2025, the Company held the 2025 first Extraordinary General Meeting. These meetings respectively reviewed and approved the "Proposal of <Draft of the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.> and Its Summary", the "Proposal of <Administrative Measures for the Phase III Employee Stock Ownership Plan of Chifeng Jilong Gold Mining Co., Ltd.>", and the "Proposal of Requesting the General Meeting to Authorise the Board of Directors to Handle Matters Related to the Company's Phase III Employee Stock Ownership Plan".

The Company and its subsidiaries' directors, supervisors, senior management, and other core personnel participated in the Phase III Employee Stock Ownership Plan, with a total of 194 individuals actually subscribing. The Company granted 15,182,600 shares at a grant price of RMB14.50 per share, with the registration completed on 24 February 2025. As of 24 February 2025, the incentive recipients had fully paid the subscription amount of RMB220,147,700.00 to the Company.

Pursuant to the terms of the Phase III Employee Stock Ownership Plan, if the vesting conditions specified in the plan are met (The vesting condition is "the Company's gold production in 2025 increases by 5% (inclusive) or more year-on-year"), the incentive recipients may apply to unlock up to the full number of shares granted as of 24 February 2026.

2. General information of share-based payments

For the six months ended 30 June 2025

Total equity instruments granted by the Company in the current period	15,182,600 shares
Total equity instruments exercised in the current period	–
Total equity instruments which became forfeited in the current period	–
The scope of exercise prices and remaining contract terms of outstanding share options of the Company at the end of the period	Not applicable
The scope of exercise prices and remaining contract terms of other outstanding equity instruments of the Company at the end of the period	Not applicable

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XIII. SHARE-BASED PAYMENT (CONTINUED)

3. Equity-settled share-based payments

For the six months ended 30 June 2025

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	24,899,464.00
Total expenses recognised for equity-settled share-based payments for the current period	24,899,464.00

For the six months ended 30 June 2025, the Company had no equity-based payments settled in cash.

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Item	30 June 2025	31 December 2024
Signed but not provisioned		
Capital commitment	**187,831,491.04**	187,634,930.66
Investment commitment	**265,954,800.00**	333,698,281.60
Total	**453,786,291.04**	521,333,212.26

2. Contingencies

(1) Material contingent events existing on the balance sheet date

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.

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XV. EVENTS AFTER THE REPORTING DATE

As of the date on which this financial report was approved for issuance, the Group had no material subsequent events requiring disclosure.

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 principal 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 domestic mining segment, overseas mining segment and other segments. The domestic mining segment conducts mining and processing of gold and nonferrous metals in China. The overseas mining segment conducts mining and processing of gold, nonferrous metals and rare earth in Laos and Ghana. Other segments are mainly engaged in comprehensive resource recycling in 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 on 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, borrowings, 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*

For the six months ended 30 June 2025

Item	Domestic mining	Overseas mining	Others	Total
Operating income	1,215,651,350.50	3,930,610,803.67	168,312,260.78	5,314,574,414.95
Operating income between segments	–	–	(42,536,801.99)	(42,536,801.99)
External operating income	1,215,651,350.50	3,930,610,803.67	125,775,458.79	5,272,037,612.96
Segment profits	705,224,471.93	1,216,876,315.26	17,894,876.68	1,939,995,663.87
Reconciliation:				
Head office profits and unallocated profits and losses				(49,153,047.71)
Interest income				36,538,631.02
Interest expenses				(65,599,297.75)
Profit before tax				1,861,781,949.43
Assets and liabilities				
Segment assets	3,408,398,857.91	14,015,438,067.14	482,015,827.30	17,905,852,752.35
Unallocated assets				5,262,088,794.45
Total assets				23,167,941,546.80
Segment liabilities	500,086,910.61	3,176,983,494.78	13,378,406.91	3,690,448,812.30
Unallocated liabilities				4,925,850,656.81
Total liabilities				8,616,299,469.11

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XVI. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (Continued)

(2) Financial information of each reporting segment (Continued)

For the six months ended 30 June 2025

Item	Domestic mining	Overseas mining	Others	Head office	Total
External operating income	1,215,651,350.50	3,930,610,803.67	125,775,458.79	–	5,272,037,612.96
Share of losses of associates	–	–	–	(21,223.35)	(21,223.35)
Impairment losses on assets	–	(17,260,555.30)	192,837.84	–	(17,067,717.46)
Depreciation and amortisation	90,671,488.77	501,775,381.38	2,963,666.43	2,557,905.07	597,968,441.65
Income tax expenses	104,401,719.54	471,623,679.05	3,825,750.71	–	579,851,149.30
Investments in associates	2,537,474.35	–	–	1,396,947.97	3,934,422.32

Information about major customers

Operating income of RMB2,168,845,041.51 was derived from sales by the overseas mining segment to a single customer ABC Refinery (Australia) Pty Limited (for the six months ended 30 June 2024: RMB1,520,390,741.34), and Operating income of RMB1,314,123,756.27 was derived from sales by the overseas mining segment to a single customer Rand Refinery (Pty) Limited (for the six months ended 30 June 2024: RMB1,185,279,191.58).

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XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Other receivables

Item	30 June 2025	31 December 2024
Dividends receivable	100,000,000.00	660,000,000.00
Other receivables	471,943,780.29	558,723,453.00
Total	571,943,780.29	1,218,723,453.00

An ageing analysis of other receivables is as follows:

Ageing	30 June 2025	31 December 2024
Within 1 year	302,847,366.52	304,086,121.51
Over 1 year but within 2 years	129,524,113.77	53,438,723.50
Over 2 years but within 3 years	39,572,300.00	201,198,607.99
Subtotal	471,943,780.29	558,723,453.00
Less: Bad debt provision for other receivables	–	–
Total	471,943,780.29	558,723,453.00

The category of other receivables by nature is as follows:

Nature	30 June 2025	31 December 2024
Guarantees and deposits	2,228,193.32	2,225,009.05
Employee borrowings, reserves and personal transactions	311,638.00	98,287.25
Intra-group transactions	469,403,948.97	556,400,156.70
Total	471,943,780.29	558,723,453.00

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XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Other receivables (Continued)

30 June 2025

	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Percentage of provision (%)	Net book value
Bad debt provision made individually	**471,943,780.29**	**100.00**	**–**	**–**	**471,943,780.29**

31 December 2024

	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Percentage of provision (%)	Net book value
Bad debt provision made individually	558,723,453.00	100.00	–	–	558,723,453.00

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XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Other receivables (Continued)

Other receivables for which bad debt provision has been made individually are as follows:

	30 June 2025				31 December 2024		
	Carrying amount	Bad debt provision	Proportion (%)	Reason for provision	Carrying amount	Bad debt provision	Proportion (%)
Chijin HK	196,399,259.18	–	–		450,303,285.89	–	–
Guangyuan Technology	106,819,052.76	–	–		–	–	–
LXML	40,804,020.00	–	–		–	–	–
GSWL	39,372,300.00	–	–		39,536,200.00	–	–
Chijin Laos	35,804,682.48	–	–		–	–	–
Jilong Mining	20,000,000.00	–	–		–	–	–
Wulong Mining	10,000,000.00	–	–		–	–	–
Hanfeng Mining	20,000,000.00	–	–		–	–	–
Jintai Mining	–	–	–		66,560,670.81	–	–
Others	2,744,465.87	–	–		2,323,296.30	–	–
Total	471,943,780.29	–	/		558,723,453.00	–	/

The movement of bad debt provision for other receivables based on 12-month ECLs and the entire lifetime ECLs are as follows:

For the six months ended 30 June 2025

Bad debt provision	Stage 1 12-month ECLs	Stage 2 Entire lifetime ECLs (not yet credit-impaired)	Stage 3 Entire lifetime ECLs (credit-impaired)	Total
At 1 January 2025	–	–	–	–
At 30 June 2025	–	–	–	–

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XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Other receivables (Continued)

The movements of bad debt provisions

	Opening balance	Provision	Recovery or reversal	Write-off	Other movement	Closing balance
30 June 2025	–	–	–	–	–	–
31 December 2024	11,088.76	–	11,088.76	–	–	–

The five entities with the largest amounts of other receivables as at 30 June 2025 are as follows:

Name	Closing balance	Proportion to total other receivables (%)	Nature	Ageing	Closing balance of provision for bad debts
Chijin HK	196,399,259.18	41.61	Intra-group transactions	Within 2 years	–
Guangyuan Technology	106,819,052.76	22.63	Intra-group transactions	Within 1 year	–
LXML	40,804,020.00	8.65	Intra-group transactions	Within 1 year	–
GSWL	39,372,300.00	8.34	Intra-group transactions	Within 3 years	–
Chijin Laos	35,804,682.48	7.59	Intra-group transactions	Within 1 year	–
Total	419,199,314.42	88.82	/	/	–

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XVII. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Long-term equity investments

For the six months ended 30 June 2025

	30 June 2025		
Item	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	6,406,822,144.27	–	6,406,822,144.27
Investments in associates	1,396,947.97	–	1,396,947.97
Total	6,408,219,092.24	–	6,408,219,092.24

(1) Investments in subsidiaries

30 June 2025

Investee	Opening balance	Additions	Reductions	Closing balance	Impairment provision for the current period	Closing balance of impairment provision
Jilong Mining	1,694,207,878.30	8,692,923.32	–	1,702,900,801.62	–	–
Guangyuan Technology	100,000,000.00	2,035,561.44	–	102,035,561.44	–	–
Chijin Laos	1,909,708,750.00	1,587,159.20	–	1,911,295,909.20	–	–
Hanfeng Mining	531,714,480.93	2,131,665.44	–	533,846,146.37	–	–
Chijin Fengyu	49,380,000.00	599,352.76	–	49,979,352.76	–	–
Chijin HK	1,839,934,800.00	238,611.80	–	1,840,173,411.80	–	–
Xinhenghe Mining	61,200,000.00	1,390,961.08	–	62,590,961.08	–	–
Chijin xiawu	204,000,000.00	–	–	204,000,000.00	–	–
Total	6,390,145,909.23	16,676,235.04	–	6,406,822,144.27	–	–

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2025
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)

2. Long-term equity investments (Continued)

(2) Investments in associates

30 June 2025

Investee	Opening balance	Movements during the period: Additions	Movements during the period: Investment income/(losses) under the equity method	Closing balance	Closing balance of impairment provision
Associates					
Fengyu New Energy	1,396,221.49	–	(35,087.00)	1,361,134.49	–
Guohong Gold	21,949.83	–	13,863.65	35,813.48	–
Total	1,418,171.32	–	(21,223.35)	1,396,947.97	–

3. Operating income and operating costs

Item	For the six months ended 30 June 2025 Operating income	For the six months ended 30 June 2025 Operating costs	For the six months ended 30 June 2024 Operating income	For the six months ended 30 June 2024 Operating costs
Other operations	40,947,090.00	–	40,499,925.00	–
Total	40,947,090.00	–	40,499,925.00	–

4. Investment losses

Item	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Losses from long-term equity investments under equity method	(21,223.35)	(86,934.96)

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2025
RMB
(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XVIII. SUPPLEMENTARY INFORMATION

1. Summary of non-recurring profit or loss

For the six months ended 30 June 2025

Item	Amount	Description
Gains or losses from disposal of non-current assets, including the write-off of the provision for impairment of assets	142,132.35	
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	842,381.79	
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	(124,661.93)	
Reversal of impairment provision for trade receivables that had an impairment test individually	187,539.20	
Non-operating income and expenses other than those mentioned items	(6,578,469.75)	
Other profit or loss items within the definition of non-recurring profit or loss	468,207.63	
Subtotal	(5,062,870.71)	
Less: Effect of income tax	318,426.12	
Impact on the non-controlling interests (after tax)	(374,301.46)	
Total	(5,006,995.37)	

NOTES TO FINANCIAL STATEMENTS

For the six months ended 30 June 2025
RMB
(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XVIII. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Summary of non-recurring profit or loss (Continued)

Note: 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	Earnings per share Diluted
Net profit attributable to ordinary shareholders of the parent	11.23	0.63	0.63
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	11.28	0.63	0.63

GLOSSARY

"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
"Au"	the chemical symbol for gold
"AuEq"	gold equivalent; including gold and other saleable elements converted into gold equivalent
"AusIMM"	the Australasian Institute of Mining and Metallurgy
"Board" or "Board of Directors"	the board of Directors
"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) respectively
"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 the 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
"Chixia Mining"	Chixia Mining (Laos) Co., Ltd (赤廈礦業老撾有限公司), a company registered in Laos, a subsidiary of Chixia Laos with 90% of shares owned by Chixia Laos
"CIRE Mining"	China Investment Rare Earth Mining Co., Ltd, a company registered in Laos with limited liability, a direct subsidiary of Chixia Mining, 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 direct subsidiary of Chixia Mining, 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）
"Cu"	the chemical symbol for copper
"Director(s)"	director(s) of the Company
"ESG"	environmental, social and governance
"Ghana"	the Republic of Ghana
"GHC"	the lawful currency 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

GLOSSARY

"Golden Star Resources" or "GSR"	Golden Star Resources Ltd., a company registered in Canada and an indirect non-wholly owned subsidiary of the Company
"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
"GSWL"	Golden Star (Wassa) Ltd, a company registered in Ghana and an indirect non-wholly owned subsidiary of GSR
"g/t"	gram(s) per metric tonne – metal concentration
"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 private 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
"HKD" or "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
"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

GLOSSARY

"Indicated Mineral Resources"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit
"Inferred Mineral Resources"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes
"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 private limited liability company established under the PRC laws and a direct non-wholly owned subsidiary of Xinhenghe Mining
"JORC"	the Joint Ore Reserves Committee formed by the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"KIP" or "LAK" 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
"Mineral Reserves"	the economically mineable part derived from a Measured and/or Indicated Mineral Resource, including diluting materials and allowances for losses which might occur when the material is mined or extracted and is defined by studies at the appropriate pre-feasibility or feasibility level with application of Modifying Factors and providing reasonable justification for extraction

GLOSSARY

"Mineral Resources"	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"Mt"	million tonnes
"Moz"	million ounces
"oz"	ounce(s)
"pp"	percentage points
"PRC"	the People's Republic of China, and solely for the purpose of this 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" or "Period"	half-year ended 30 June 2025
"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
"t"	tonnes
"US$" or "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States of America

GLOSSARY

"Wulong Mining"	Liaoning Wulong Gold Mining Co., Ltd. (遼寧五龍黃金礦業有限責任公司), a private limited liability company established under the PRC laws and a direct wholly owned subsidiary of 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
"%"	per cent