



罕王黃金國際有限公司

HANKING GOLD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 03788



INTERIM REPORT

2026

◆ CORE VALUE

**People-first and
Business Integrity**

◆ PRINCIPLE

**Safety, Harmony
and Green**



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CORPORATE INFORMATION

Hanking Gold International Limited was incorporated in the Cayman Islands on 2 August 2010, and was listed on the Hong Kong Stock Exchange on 30 September 2011 (stock code: 03788). The Company is an international mining company with over 30 years of operational experience. While maintaining the stable development of its iron ore and high-purity iron businesses in China, leveraging its JORC Code gold resources of 5.54 million ounces and gold reserves of 2.62 million ounces, along with its successful experience in gold exploration, feasibility study, construction, production and sales in Australia, the Company is currently committed to the development and construction of the Mt Bundy Gold Project located in the Northern Territory of Australia, striving to become a mid-tier gold producer in the near future, while advancing the exploration, feasibility study and approval works for the Cygnet Gold Project.

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

- **Gold Business in Australia**

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

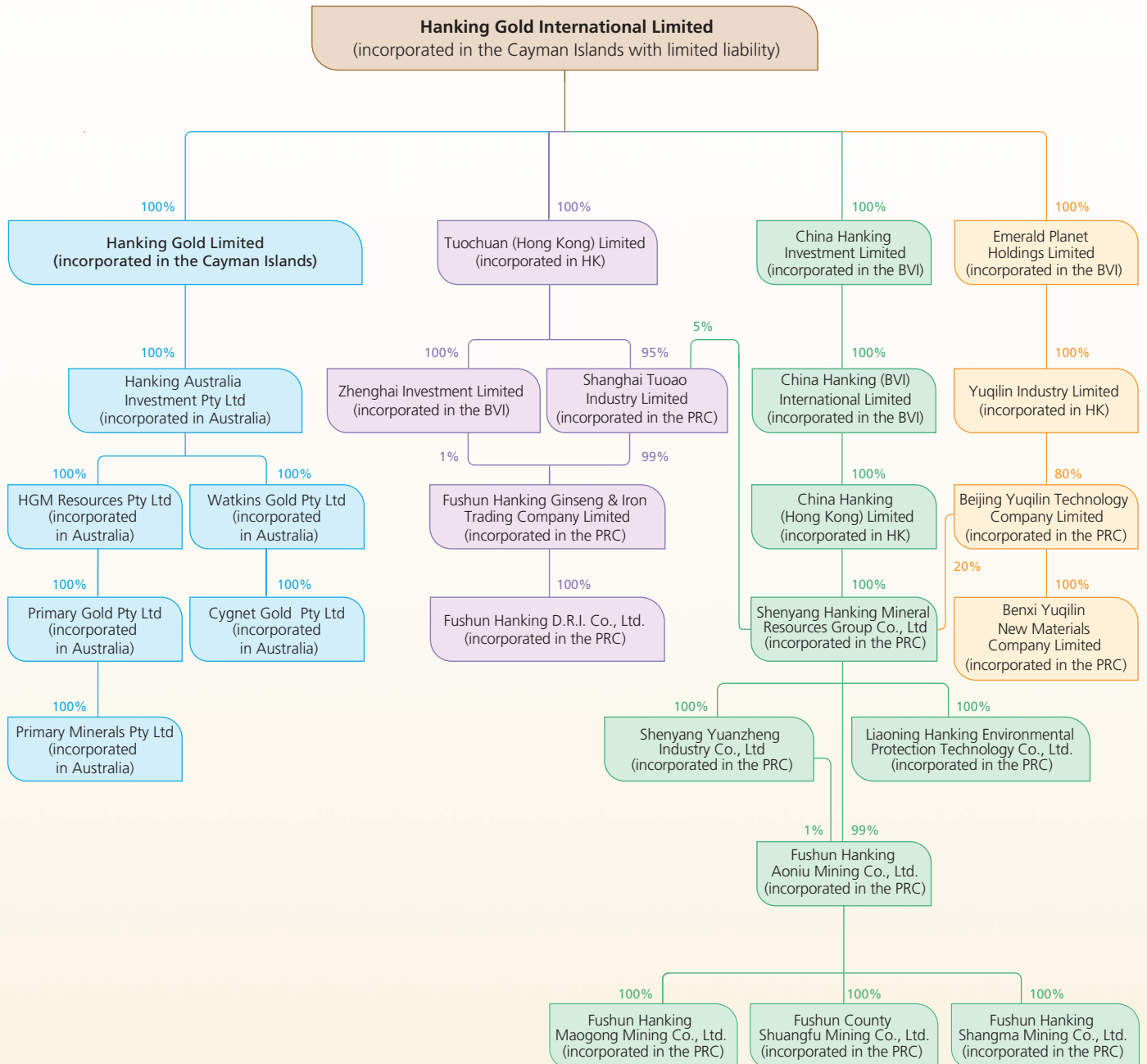
- **Iron Ore and High-purity Iron Business in China**

Thanks to the advantages of its own high-quality iron ore resources and unique technical process, the average grade of iron ore concentrate produced by Hanking is over 69%. Due to the minimal impurity contents of sulfur, phosphorus and titanium, together with the technical advantages accumulated over the years, high-purity iron products smelted by Hanking enjoy strong corrosion resistance and high tensile strength, thereby well meeting the casting requirements of major equipment in wind power, marine engineering and other sectors. Therefore, the Company’s iron ore and high-purity iron business in China provide high-quality raw materials for clean energy wind power component casting enterprises.

CORPORATE INFORMATION

(CONTINUED)

Shareholding Structure of the Group ^{Note}



Note: This shareholding structure chart only sets out the principal subsidiaries of the Group as at 30 June 2026.

CORPORATE INFORMATION*(CONTINUED)***COMPANY'S STATUTORY CHINESE NAME**

罕王黃金國際有限公司

COMPANY'S STATUTORY ENGLISH NAME

Hanking Gold International Limited

STOCK CODE

03788

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Lujiazui Century Financial Plaza
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Pudong New Area
Shanghai 200127
PRC**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong**AUTHORIZED REPRESENTATIVES**Dr. Qiu Yumin
Ms. Au Ching**JOINT COMPANY SECRETARIES**Mr. Pei Qiang
Ms. Au Ching**AUDITOR**Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong**HONG KONG LEGAL ADVISOR**Jingtian & Gongcheng LLP
Suites 3203-3209, 32/F
Edinburgh Tower, The Landmark
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Central
Hong Kong**PRINCIPAL SHARE REGISTRAR IN THE CAYMAN ISLANDS**Conyers Trust Company (Cayman) Limited
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KY1-1111
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CORPORATE INFORMATION

(CONTINUED)

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DIRECTORS

Executive Directors

Dr. Qiu Yumin (*Chief Executive Officer and President*)
Ms. Zhang Jing (*Board Secretary*)
Mr. Tang Wenbin
Mr. Zhang Junfeng

Non-executive Directors

Mr. Xia Zhuo (*Chairman*)
Mr. Zhao Yanchao

Independent Non-executive Directors

Mr. Wang Ping (*Lead Independent Non-executive Director*)
Dr. Wang Anjian
Mr. Zhao Bingwen
Dr. Tim Sun

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Xia Zhuo (*Chairman*)
Ms. Zhang Jing
Mr. Wang Ping
Dr. Wang Anjian
Mr. Zhao Bingwen

HEALTH, SAFETY, ENVIRONMENTAL PROTECTION AND COMMUNITY COMMITTEE

Dr. Qiu Yumin (*Chairman*)
Ms. Zhang Jing
Dr. Wang Anjian

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	Change
Revenue (RMB thousand)	911,593	1,405,188	(35.13%)
(Loss) profit for the period (RMB thousand)	(55,688)	104,537	(153.27%)
EBITDA	91,632	287,073	(68.08%)
(Loss) earnings per share (RMB cent)	(2.4)	5.4	(144.44%)
Net margin	(6.11%)	7.44%	Down 13.55 percentage points
Return on net assets	(2.46%)	7.01%	Down 9.47 percentage points



MANAGEMENT DISCUSSION AND ANALYSIS

I. OPERATION REVIEW

1. Priority Development of the Mt Bundy Gold Project Progressed on Schedule and Within Budget

As the Company's core project, various construction works of the Mt Bundy Gold Project progressed in an orderly manner during the first half of 2026, including the extension of the project access road to the processing plant site and the completion of civil works for the staff camp, while the installation of the mine camp facilities with 258 rooms is in progress. In July 2026, we completed the procurement of the ball mill, being the single piece of equipment with the highest cost and the longest delivery lead time. In August, the EPC and EPCM contracts for the construction of the 5.5 Mtpa processing plant of the Mt Bundy Gold Project were awarded to two experienced Australian contractors, confirming that the capital expenditure and construction schedule set out in the definitive feasibility study are in line with our established development plan. The construction site for the processing plant has been cleared and on-site construction works have formally commenced. The project has taken an important step towards the target of achieving first gold pour in the first quarter of 2028.

2. Concurrent Advancement of the Cygnet Gold Project

The Cygnet Gold Project, which serves as the second growth driver of the gold business, has completed its pre-feasibility study. Following the receipt of approval for underground mining in June 2026, the Company is preparing for commencement of underground drilling with a view to expanding the resources and reserves of the project. We will continue to advance the definitive feasibility study while concurrently progressing the relevant government approval procedures. The project is planned to achieve first gold pour by the end of 2029.

3. Enhancement of Safety and Environmental Protection of Domestic Operations to Provide Solid Support for Stable Production

In the first half of 2026, the operating mines of the Company's domestic iron ore business proactively cooperated in the completion of 17 safety inspections conducted at the provincial, municipal and county levels. Leveraging the opportunities arising from external supervision, we further enhanced our capabilities in safeguarding production safety, laying a solid foundation for the long-term stable production of the mines. The high-purity iron business actively cooperated with the routine environmental protection inspections conducted by government authorities and, in strict accordance with the feedback from multiple rounds of inspections, continued to deepen its ultra-low emission transformation projects, thereby providing assurance for stable production in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

II. GOLD BUSINESS IN AUSTRALIA**1. Industry Overview**

In the first half of 2026, international gold prices fluctuated within a wide range due to factors including heightened geopolitical risks, portfolio adjustment by investors and profit-taking activities. In late January, the gold price hit record highs on more than 12 occasions, reaching a record high of US\$5,405 per ounce (London Bullion Market Association (LBMA) PM gold price) at one point, before falling sharply to a low of US\$4,002 per ounce (LBMA PM gold price) in June. According to the annual central bank survey report published by the World Gold Council in June 2026, among the 74 central bank reserve managers surveyed, 45% of respondents expected to continue increasing their gold reserves over the next 12 months, representing a record high in the history of the survey. Continued gold purchases by global central banks, economic uncertainty and market expectations of a future shift in monetary policy will provide medium- to long-term support for gold prices. Meanwhile, gold price performance will also be affected by multiple uncertainties, including geopolitics, the interest rate environment and investor sentiment.

2. Future Development Will Focus on the Gold Business in Australia, Advancing Towards the Strategic Goal of Becoming a Mid-Tier Gold Producer

Against the backdrop of heightened global uncertainties and the continued improvement in the long-term fundamentals of the gold market, the Board conducted a comprehensive and systematic review of the Group's asset structure and its path towards long-term value creation, and decided to concentrate all of the Group's resources on fully developing its gold business, with a view to becoming a mid-tier gold producer. In February 2026, to reflect the Group's strategic focus and its development vision of becoming a mid-tier gold producer, the Company formally changed its name to Hanking Gold International Limited. This represents a milestone strategic adjustment for the future development of the Company.

In January 2026, to support its strategic goal, the Group successfully completed a private issuance and placing of 206 million Shares at a subscription/placing price of HKD3.80 per Share, raising net proceeds of approximately HKD773 million (approximately RMB692 million)¹ in aggregate. The proceeds from the financing will be specifically applied towards the construction of the Australian gold projects, significantly strengthening the Group's financial stability and risk resilience. At present, the proceeds from the financing have not yet been utilised and will be fully applied towards the construction of the gold projects in the future. The issuance was actively subscribed by a number of leading industry investors and internationally renowned investment institutions, fully demonstrating the capital market's confidence in the Group's future prospects and further diversifying and institutionalising its Shareholder base.

In addition, during the reporting period, the Company completed the acquisition of the minority interests in Hanking Gold Limited². Upon completion of the transaction, the Group wholly owns the high-grade gold assets in Australia. By converting the interests held by the non-controlling interest holders in Hanking Gold Limited into Shares of the Company, the minority shareholders of the subsidiary were able to exchange their interests in an unlisted entity for Shares of the Company. This also effectively streamlined the governance structure and significantly optimised the Group's approval processes in respect of investment decisions, debt financing and operational management.

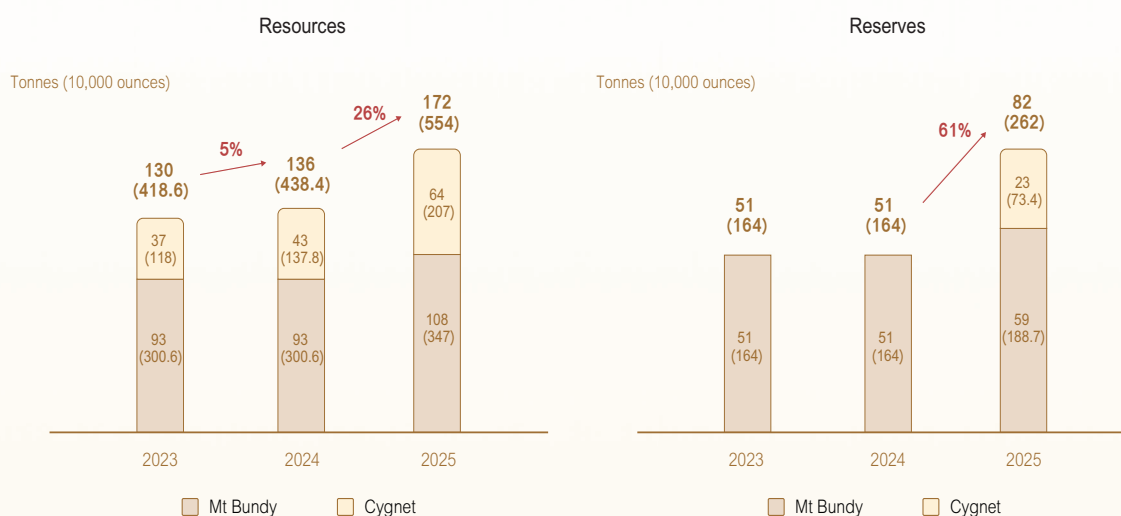
¹ Details are set out in the announcements of the Company dated 22 January and 29 January 2026.

² Details are set out in the announcements of the Company dated 26 March and 22 May 2026 and the circular of the Company dated 23 April 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

The Company's gold business comprises the Mt Bundy Gold Project in the Northern Territory of Australia and the Cygnet Gold Project in Western Australia. As of 30 June 2026, the Company had JORC Code gold resources of approximately 5.54 million ounces¹ (approximately 172 tonnes) and gold reserves of approximately 2.62 million ounces (approximately 82 tonnes). The Company continues to advance exploration activities at its gold projects, with a view to increasing resources and reserves and enhancing the overall value of the projects. The Company's gold resources and reserves for the past three years are set out below:



3. Mt Bundy Gold Project — Core Project Prioritised for Development

The Mt Bundy Gold Project currently has approximately 3.47 million ounces of gold resources and approximately 1.88 million ounces of gold reserves compliant with the JORC Code. All gold resources and reserves are located within the existing mining licences. The project has been granted "Major Project" status by the Northern Territory Government, and the key approvals required for mine production and the processing plant, including mining licences, aboriginal rights approvals and environmental impact assessment approvals, have been obtained. The updated definitive feasibility study for the project demonstrates that it will be a robust, high-production and long-life gold development project, with a mine life of 16 years, average annual gold production of approximately 150,000 ounces during the first 10 years and total gold production of approximately 1.79 million ounces. The project has commenced construction of the processing plant, with gold production planned to commence in the first quarter of 2028. Upon completion and commencement of production, it will become the second-largest gold mine in the Northern Territory in terms of annual production.

¹ 1 ounce = 31.1035 grams.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

1) *Development Progress of the Mt Bundy Gold Project*

- In February 2026, camp facilities were ordered;
- In April 2026, the mining management plan for the Mt Bundy Gold Project was approved and mining authorisation was obtained;
- In May 2026, after satisfying the relevant conditions stipulated by the Northern Territory Government authorities, construction of the project access road commenced at the project site, marking the formal commencement of on-site construction. As of the date of this report, the project access road has been extended to the processing plant site, the civil works for the staff camp have been completed and passed acceptance inspection, and the mine camp facilities with 258 rooms are being installed;
- In July 2026, the project obtained the site clearance permit for the processing plant and mining activity authorisation, following which site clearance works commenced immediately;
- A procurement agreement for a ball mill was entered into with CITIC Heavy Industries Co. Ltd. ("CITIC"), securing the core equipment with the highest unit cost and the longest delivery lead time. The key specifications of the ball mill are: 18 MW CITIC HIC $\varnothing 7.92 \times 13.12$ m EGL, $2 \times 9,000$ kW, with a guaranteed 688 t/h at $\leq 75 \mu\text{m}$, which will help improve gold recovery and enhance operational flexibility;
- In August 2026, the EPC and EPCM contracts for the construction of the 5.5 Mtpa processing plant were awarded to two experienced Australian contractors, confirming that the capital expenditure and construction schedule set out in the definitive feasibility study are in line with our established development plan. Construction of the processing plant commenced immediately thereafter;
- The natural gas pipeline will be constructed under a BOO model. The preferred partner and optimal pipeline route have been selected, and preparatory work is progressing in an orderly manner, with the target of commencing natural gas supply by the end of 2027;
- The preferred partner for the natural gas-fired power station under the BOO model has been selected, the key commercial terms have been agreed, generating units have been reserved for the Mt Bundy Gold Project, and the definitive agreement is being drafted for execution.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Target: first gold pour in the first quarter of 2028.



2) *Construction of the 5.5 Mtpa Processing Plant*

- Project progress: The EPC and EPCM contracts for the construction of the processing plant have been awarded to two experienced Australian contractors, confirming that the capital expenditure and construction schedule set out in the definitive feasibility study are in line with the established development plan. The project is steadily progressing towards the strategic target of first gold pour in the first quarter of 2028. For details, please refer to the announcement of the Company dated 10 August 2026.

Delonix Solutions Projects Pty Ltd ("**Delonix Solutions**") has been awarded Contract CO02 (the "**EPC Contract**") for the engineering, procurement and construction (the "**EPC**") of the Mt Bundy Dry Plant (Package SP1 - crushing, screening, high pressure grinding rolls (the "**HPGR**") circuit, and fine ore stockpile); and CPC Engineering Pty Ltd ("**CPC Engineering**") has been awarded Contract CO01 (the "**EPCM Contract**") for the engineering, procurement and construction management (the "**EPCM**") of the Mt Bundy Wet Plant (Package SP2 - grinding, gravity recovery, organic blanking, leaching and adsorption, elution, electrowinning and gold room). The aggregate contract value under the EPC Contract and the EPCM Contract is approximately AUD120.98 million.

SUMMARY OF THE EPC CONTRACT — DRY PLANT (SP1)

- **Contractor:** Delonix Solutions Projects Pty Ltd.
- **Scope:** Full design, engineering, procurement, construction, installation and commissioning of the Dry Plant, comprising the run-of-mine bin and primary crushing circuit, secondary crushing, the closed-circuit HPGR tertiary crushing circuit, covered fine ore stockpile and reclaim, the Tom's Gully crushed ore diversion, surge bin and reclaim, civils, structural, mechanical, piping, electrical, process control and fire protection works, and the Dry Plant control room.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

- **Contract sum:** A fixed price of **AUD92.48 million**.
- **Capacity and guarantees:** The Dry Plant is designed for a maximum throughput of 7.0 Mtpa, providing headroom above the 5.5 Mtpa nameplate plant duty and built-in capacity for future expansion. The contract carries performance guarantees on crushed product sizing (P80 of approximately 4.7 mm) and plant availability.
- **Programme:** Construction is to be completed in accordance with the milestone dates in the construction schedule, with the Dry Plant completion and commissioning targeted in December 2027.
- **Commercial protections:** The EPC Contract was prepared and executed based on the Australian Standard Form **AS4902**. Fixed lump sum pricing, liquidated damages and retention, insurance and professional indemnity requirements, and direct payment by Primary Gold Pty Ltd ("**Primary Gold**") of major equipment packages, with title to equipment and materials passing to Primary Gold on payment or delivery.

SUMMARY OF THE EPCM CONTRACT — WET PLANT (SP2)

- **Contractor:** CPC Engineering Pty Ltd.
- **Scope:** Engineering, procurement and construction management of the Wet Plant, covering the works reclaiming from the fine ore stockpile to the Wet Plant, and reclaiming feeder from the Tom's Gully fine ore bin to the Wet Plant. CPC Engineering will manage all SP2 procurement on behalf of Primary Gold, and administer the interface with the Delonix Solutions' Dry Plant EPC Contract.
- **Contract sum:** The EPCM budget is **AUD28.5 million** including a 15% contingency allowance. This comprises a **fixed lump sum of AUD9,462,257** for the engineering and procurement (EP) component.
- **Programme:** The EPCM Contract was prepared and executed based on the Australian Standard Form **AS4122**. The works are to be completed in accordance with the milestone dates in the construction programme, with engineering completion before April 2027 and Wet Plant commissioning in early 2028, supporting first gold pour in the first quarter of 2028.
- **Contract structure:** The Dry Plant is subject to a fixed lump-sum contract with performance guarantees, while the engineering and procurement for the Wet Plant are undertaken on a fixed-price basis, providing the Company with a high degree of cost certainty during the construction phase.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

- Design optimisation: Feedback from multiple bidders has facilitated the optimisation of the processing plant design, resulting in a more robust and streamlined processing solution while retaining flexibility for future throughput expansion.
- Social impact and value: The construction of the processing plant and subsequent mining operations are expected to create approximately 400 jobs. The Company will work with the contractors to deliver the project in a safe and sustainable manner and create value for Shareholders and stakeholders.
- Commencement of construction: A commencement ceremony for the construction of the processing plant was held at the processing plant construction site at Rustlers Roost, marking the formal commencement of the full-scale construction phase of the processing plant. More than 40 guests attended the ceremony, including government officials, the Company's management, major engineering contractors, and representatives from the industry and local communities. At the ceremony, representatives of the Northern Territory Government and the major contractors delivered speeches, stating that they would continue to support the Company's development in the Northern Territory and work together with the Company to complete and commission the processing plant on schedule, safely, to the required quality standards and within budget.



3) Sources of Funding and Capital Expenditure

The total funding required for the development of the Mt Bundy Gold Project will comprise the Company's own funds and project loan:

- In January 2026, the Company completed a private placing of 206 million Shares at a subscription/ placing price of HKD3.80 per Share, raising aggregate net proceeds of approximately HKD773 million (approximately RMB692 million), all of which will be applied towards the subsequent construction of the gold projects. As of 10 August 2026, the gold business had cash reserves of approximately HKD1.214 billion. Such cash reserves will constitute the Company's capital investment in the development of the Mt Bundy Gold Project, with the remaining funding to be raised through debt financing. The Company is progressing a competitive debt financing tender process through its financial adviser, Argonaut Corporate Finance Limited, which has now entered the advanced stage, with a total of 14 Australian and international commercial banks participating. The Company is fully confident that, in addition to its existing cash reserves of HKD1.214 billion, it will be able to secure sufficient funding for the development of its gold business.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

4) *Project Team Development*

The continued expansion of a mature and highly experienced professional team provides the personnel support necessary to develop the project into a first-class gold-producing mine. We have appointed the following key management personnel for the project:

- Mr. Adam Kinna, Project Manager, is based on site and is responsible for coordinating and overseeing all on-site construction works, with the primary objective of completing the project safely, on schedule and within budget. Mr. Kinna previously worked for many years at Glencore's McArthur River Mine and, more recently, participated in the entire process from construction to production of the lithium project near Darwin operated by Core Lithium, a company listed on the Australian Securities Exchange.
- Mr. Ben Wang, Mining Manager, is responsible for all mining-related activities of the Mt Bundy Gold Project. Mr. Wang previously worked at the Tropicana Gold Mine operated by AngloGold Ashanti, a major global gold producer, and has held positions at the SXO, Delagrang and Tropicana gold mine projects, accumulating extensive practical experience in both open-pit and underground mining.

4. *Cygnets Gold Project - Second Growth Driver*

The Cygnets Gold Project is located approximately 360 kilometres east of Perth, Western Australia. It comprises two high-grade underground mines, Copperhead and Golden Pig, and one open-pit mine, Corinthia. The Company's development plan includes the construction of a central processing plant, tailings storage facility and administrative infrastructure at Corinthia, with ore from the underground mines at Copperhead and Golden Pig to be transported to Corinthia. Corinthia was acquired in early 2025, and drilling activities are ongoing.

The Cygnets Gold Project currently has total JORC Code gold resources of 2.07 million ounces at an average grade of 2.42g/t of gold, and ore reserves of 734,000 ounces of gold at an average grade of 1.75g/t of gold. Since completion of the resource estimate for Cygnets Gold Project, further drilling has been completed at Corinthia and Golden Pig. At Corinthia, outstanding mineralisation was intersected with a thickness of 13.15 metres and a grade of 3.36g/t at a depth of 325.65 metres and a thickness of 23.4 metres and a grade of 6.49g/t at a depth of 338.35 metres, fully demonstrating Corinthia's underground mining potential. The resource data will continue to be updated as further drilling progresses.

In June 2026, the Cygnets Gold Project obtained approval for underground mining, marking a key step in the project's transition from the feasibility study and approval stage to the development stage. We subsequently commenced the tender process for the Copperhead underground mining works and commenced underground drilling as soon as possible with a view to expanding the resources and reserves of the project.

Following the update of the resource data, we will proceed with the definitive feasibility study while concurrently progressing the relevant government approval procedures. Mine construction for the project is planned to commence in the second half of 2028, with first gold pour targeted by the end of 2029.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

III. IRON ORE BUSINESS**1. Industry Overview**

In the first half of 2026, iron ore prices initially declined, then rebounded, before continuing to fall. According to data from Mysteel.com, as of 26 June 2026, the 61% Fe forward spot price index for iron ore was US\$98.05 per dry metric tonne, representing a decrease of 5.95% from the beginning of the year. At the beginning of the year, production capacity at major mines and new projects continued to come on stream, while on the demand side, the traditional off-season for consumption, coupled with low profitability of steel mills, weighed on iron ore prices, which remained on a downward trend. Subsequently, driven by the concentrated resumption of production by steel mills after the Chinese New Year and a recovery in demand for finished steel products, iron ore prices rebounded for a period. In March, the 61% Fe forward spot price index rose from US\$95.4 per dry metric tonne to a year-to-date record high of US\$111.55 per dry metric tonne. Thereafter, as shipments from overseas mines continued to increase and arrivals at ports rose significantly, while domestic end-user demand remained relatively weak and steel mill margins were squeezed by higher coke prices, overall procurement became more cautious and iron ore prices continued to decline. Looking ahead to the second half of 2026, shipments from both major and non-mainstream overseas mines may continue to increase, while production capacity from new projects such as Simandou will continue to come on stream, maintaining relatively ample supply. On the demand side, domestic end-user demand for steel is expected to remain relatively weak, while pressure on steel exports is expected to emerge.

2. Operating Performance

In the first half of 2026, as the land approval procedures took longer than expected and the production scheduling plan for the first half of 2026 was lower than that for the corresponding period of the previous year, the Group produced 368,000 tonnes of iron ore concentrates, representing a year-on-year decrease of 28.96% and achieving 81.43% of the half-year budget, and recorded sales volume of 364,000 tonnes, representing a year-on-year decrease of 30.13%. We resolved the aforesaid land approval issue in early May and, during the period when production was constrained, completed the annual overhaul of the mining and processing equipment ahead of schedule. We have reformulated the subsequent production plan and are making every effort to catch up with the production schedule, and have adjusted the budgeted production target for iron ore concentrates for 2026 to 830,000 tonnes.

2026 marks the final year of the three-year action plan for tackling root causes and addressing key issues in mine safety production. Coupled with the frequent occurrence of sporadic mining accidents across China in the first half of the year, a number of provinces launched a series of special campaigns in the mining sector to rigorously identify and investigate risks and potential hazards. The Group's iron ore business proactively cooperated in the completion of a total of 17 safety inspections at the provincial, municipal and county levels in the first half of 2026. Leveraging the opportunities arising from external supervision, we further reinforced accountability for safety production, improved the safety fundamental management system, advanced various special inspections and rectification initiatives in an orderly manner, strengthened technical safety prevention and control measures, and continuously enhanced our capabilities in safeguarding production safety, thereby laying a solid foundation for the long-term stable production of the mines.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

In the first half of 2026, due to the year-on-year decreases in the production and sales volumes of iron ore concentrates, the revenue and gross profit of the Group's iron ore business both decreased by corresponding proportions year on year. However, benefiting from the year-on-year increase in the average selling price and our cost control measures, the iron ore business continued to maintain a high gross profit margin of 60.15%, representing a year-on-year decrease of only 0.43 percentage point.

Operation breakdown of the iron ore business

	For the six months ended 30 June		
	2026	2025	Change
Output (thousand metric tons)	368	518	(28.96%)
Sales volume (thousand metric tons)	364	521	(30.13%)
Average selling price (RMB per metric ton)	903	856	5.49%
Average cost of sales (RMB per metric ton)	361	339	6.49%
Revenue (RMB thousand)	329,449	447,978	(26.46%)
Gross profit (RMB thousand)	198,164	271,398	(26.98%)
Gross margin	60.15%	60.58%	Down by 0.43 percentage point

High Quality and Low Cost

The iron ore resources of the iron ore business of the Company are situated at the well-known iron ore metallogenic belt of Anshan to Benxi where iron ore resources are rich and in good quality. Leveraging continuously optimised production processes, the iron ore concentrates produced by the Company in the first half of 2026 had an average grade of over 69%, with low levels of impurities such as sulphur, phosphorus and titanium, which can significantly reduce customers' production costs and therefore command a corresponding premium over comparable products in the industry. In the first half of 2026, the average selling price of the Company's iron ore concentrates was RMB903 per tonne, representing a year-on-year increase of 5.49%.

Through measures such as extending the service life and recycling of equipment and reducing material consumption, despite the adverse impact of lower production volume, the Company achieved a cash operating cost of RMB358 per tonne of iron ore concentrates in the first half of 2026, representing a year-on-year increase of only RMB10, or 2.87%, and continued to maintain its low-cost operating advantage.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Breakdown of cash operating costs of the iron ore business

	For the six months ended 30 June		
	2026 (RMB/metric ton of iron ore concentrate)	2025 (RMB/metric ton of iron ore concentrate)	Change
Mining	164	174	(5.75%)
Processing ^{Note 1}	92	73	26.03%
Transportation	21	22	(4.55%)
Tax	51	51	0.00%
Mine management	30	28	7.14%
Total	358	348	2.87%

Note: 1. The year-on-year decrease in output of iron ore concentrates resulted in lower economies of scale, leading to an increase in processing costs per tonne.

3. Resources and Reserves

The Company is committed to exploration within and around its existing mining areas with a view to acquiring high-quality resources at relatively low cost. Exploration activities are conducted in strict accordance with geological exploration standards and the working requirements of the “Three Concurrent Activities and Three Timely Actions” (conducting exploration works while organising and studying data and optimising and adjusting designs). Based on the results of existing detailed exploration, favourable mineralised sections are selected for infill exploration, while geophysical survey results are utilised to deepen geological studies of the deeper and peripheral areas of the mining areas. Construction quality and investment costs are strictly controlled, and all exploration tasks are progressing in an orderly manner. In the first half of 2026, 30 drill holes with an aggregate drilling length of 11,505.5 metres were completed, providing solid geological support for the integration of mining rights, conversion from exploration to mining and verification of reserves.

As of the end of June 2026, there were no material changes in the iron ore resources and reserves of the Group as compared with the end of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

IV. HIGH-PURITY IRON BUSINESS

1. Industry Overview

According to statistics from the National Energy Administration, in the first half of 2026, China's cumulative installed wind power capacity reached 680 million kW, representing a year-on-year increase of 18.5%; newly installed wind power capacity amounted to 38.62 million kW, representing a year-on-year decrease of 26.5%, mainly because newly installed wind power capacity increased by 98.9% year on year in the first half of 2025, which directly raised the comparison base for 2026. However, newly installed capacity in June 2026 alone amounted to 13.57 million kW, representing a year-on-year increase of 165.6%, indicating that an inflection point has emerged. The China Renewable Energy Development Report 2025 (《中國可再生能源發展報告2025年度》) published by the China Renewable Energy Engineering Institute in June 2026 forecasts that China's newly grid-connected wind power capacity will reach approximately 100 million kW in 2026. According to the 15th Five-Year Plan for the Development of a New Energy System (《新型能源體系建設“十五五”規劃》) issued by the National Development and Reform Commission and the National Energy Administration in June 2026, the development of wind power is benefiting from multiple favourable policy measures, including the construction of large-scale bases, accelerated development of offshore wind power and the upgrading of ageing generating units.

2. Operating Performance

In the first half of 2026, the Group's high-purity iron business actively cooperated with the routine environmental protection inspections conducted by government authorities and, in strict accordance with the feedback from multiple rounds of inspections, continued to advance its ultra-low emission transformation projects. As a result, production at the Lagu Iron Plant was intermittently suspended, while production at Yuqilin Iron Plant remained suspended, resulting in year-on-year decreases in the production and sales volumes of high-purity iron. During the period, production volume amounted to 264,000 tonnes, representing a year-on-year decrease of 43.95%, while sales volume amounted to 284,000 tonnes, representing a year-on-year decrease of 39.96%. Notably, the product mix continued to improve, with sales of ductile iron for wind power accounting for approximately 96% of the total sales volume for the period.

Looking ahead to the second half of the year, the Group will focus on stabilising production and enhancing efficiency in its high-purity iron business, and will make every effort to ensure production continuity with a view to improving its operating results for the full year. On this basis, and after taking into account the progress of technological upgrades and market conditions, the Group has adjusted its high-purity iron production target for 2026 to 700,000 tonnes.

The lack of continuity in production, coupled with multiple rounds of price increases for coke and other major raw materials, resulted in an average cost of sales of high-purity iron of RMB2,688 per tonne for the Company in the first half of 2026, representing a year-on-year increase of 7.78%. Gross profit amounted to RMB14,998,000, representing a year-on-year decrease of 83.84%.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Operation breakdown of high-purity iron business

	For the six months ended 30 June		
	2026	2025	Change
Output (thousand metric tons)	264	471	(43.95%)
Sales volume (thousand metric tons)	284	473	(39.96%)
Average selling price (RMB per metric ton)	2,731	2,685	1.71%
Average cost of sales (RMB per metric ton)	2,688	2,494	7.78%
Revenue (RMB thousand)	779,218	1,272,118	(38.75%)
Gross profit (RMB thousand)	14,998	92,792	(83.84%)
Gross margin	1.92%	7.29%	Down by 5.37 percentage points

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed above, as of 30 June 2026, the Group did not have any concrete plans to make any material investment or acquire capital assets other than those carried out in its ordinary course of business. The Group will keep abreast of the changing market conditions and proactively identify investment opportunities in order to broaden the revenue base of the Group and enhance its future financial performance and profitability.

FINANCIAL REVIEW**1. Revenue, Cost of Sales, Gross Profit**

In the first half of 2026, the revenue of the Group was RMB911,593,000, representing a decrease of RMB493,595,000 or 35.13% as compared to the corresponding period of last year. The decrease was mainly attributable to the sales volume of high-purity iron for the period decreased by 189,000 metric tons as compared to the corresponding period of last year and the sales price of high-purity iron for the period increased by RMB46/metric ton as compared to the corresponding period of last year, which resulted in a decrease in revenue by RMB493,024,000.

In the first half of 2026, the cost of sales incurred by the Group amounted to RMB711,781,000, representing a decrease of RMB332,630,000 or 31.85% as compared to the corresponding period of last year, mainly attributable to the combined effect of a decrease in sales volume of high-purity iron for the period by 189,000 metric tons as compared to the corresponding period of last year and an increase in unit cost for the period by RMB194/metric ton as compared to the corresponding period of last year.

In the first half of 2026, the gross profit of the Group was RMB199,812,000, representing a decrease of RMB160,965,000 or 44.62% over the corresponding period of last year. As compared to the corresponding period of last year, the gross margin of the Group decreased from 25.67% to 21.92% during the first half of 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Analysis on the revenue by major products

	For the six months ended 30 June 2026				For the six months ended 30 June 2025			
	RMB'000				RMB'000			
	Iron Ore Business	High-purity Iron Business	Others	Total	Iron Ore Business	High-purity Iron Business	Others	Total
Iron Ore Concentrates	132,386	–	–	132,386	131,957	–	–	131,957
High-purity Iron	–	776,381	–	776,381	–	1,269,405	–	1,269,405
Others	920	1,692	214	2,826	2,081	1,568	177	3,826
Total	133,306	778,073	214	911,593	134,038	1,270,973	177	1,405,188

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

In the first half of 2026, the other income of the Group was RMB18,112,000, representing an increase of RMB13,035,000 or 256.75% as compared to the corresponding period of last year. Other income mainly represented interest income. The increase in other income was mainly attributable to the increase in interest income generated from bank deposit and time deposit.

In the first half of 2026, the other expense of the Group was RMB896,000. Other expense mainly represented donation expenditure.

In the first half of 2026, the other gains or losses of the Group were a loss of RMB43,380,000, as compared to the gain of RMB5,242,000 in the corresponding period of last year. Such change was mainly attributable to the exchange loss of RMB27,743,000 as a result of exchange fluctuations of USD and HKD against RMB and the long-term asset and goodwill impairment loss of RMB12,358,000. Other losses mainly consisted of the impairment loss of assets, foreign exchange gains or losses, disposal gains or losses of available-for-sale financial assets, net gain or loss from disposal of properties, plants and equipment, and other overheads, etc..

In the first half of 2026, the impairment reversal under the Group's expected credit loss model was RMB6,246,000, as compared to the impairment loss of RMB5,964,000 in the corresponding period of last year. The Group has, upon due consideration, made provision for an impairment loss on financial assets such as receivables under expected credit loss model according to the historical settlement pattern, industry practice, the Group's historical actual loss experience and general economic conditions of the industry in which the debtors operate.

3. Distribution and Selling Expenses, Administrative Expenses

In the first half of 2026, the distribution and selling expenses of the Group were RMB41,319,000, representing a decrease of RMB9,382,000 or 18.50% as compared to the corresponding period of last year, which was mainly due to the decrease in sales volume of high-purity iron of 189,000 metric tons and the decrease in sales volume of iron ore concentrate by 157,000 metric tons, both as compared to the corresponding period of last year. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

In the first half of 2026, the administrative expenses of the Group were RMB127,414,000, representing an increase of RMB25,964,000 or 25.59% as compared to the corresponding period of last year. The increase was mainly attributable to the amortization fee of share options granted to Directors and employees of the gold business of RMB31,441,000 in the first half of 2026. Administrative expenses included remuneration paid to the management and administrative staff of the Group, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges and others.

4. Finance Costs and Income Tax Expense

In the first half of 2026, the finance costs of the Group amounted to RMB35,369,000, representing a decrease of RMB1,785,000 or 4.80% as compared to the corresponding period of last year. Finance costs included interest expenses on bank borrowing, discount expenses and other finance expenses. The decrease in finance costs for the period was mainly due to a decrease in borrowing interest rate, which led to a decrease in interest expenses and discount charges.

In the first half of 2026, the income tax expense of the Group was RMB31,738,000, representing a decrease of RMB38,686,000 or 54.93% as compared to the corresponding period of last year. Income tax expense included the total amount of current tax payable and deferred tax.

5. (Loss) Profit for the Period and Total Comprehensive (Expense) Income for the Period

Based on the above reasons, in the first half of 2026, the Group's loss for the period was RMB55,688,000, as compared to the profit of RMB104,537,000 in the corresponding period of last year. In the first half of 2026, the Group's adjusted net loss amounted to RMB24,247,000, as compared with a net profit of RMB105,443,000 in the corresponding period of last year. Adjusted net (loss) profit represents the Group's (loss) profit for the period after adding back listing expenses incurred in connection with the spin-off and separate listing of the gold business and share-based payments.

Based on the (loss) profit for the period, and affected by foreign currency translation, the total comprehensive expense in the first half of 2026 was RMB64,432,000, as compared to the total comprehensive income of RMB127,974,000 in the corresponding period of last year.

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

As at 30 June 2026, the net value of property, plant and equipment of the Group was RMB738,302,000, representing an increase of RMB79,039,000 or 11.99% as compared to the end of the previous year. The increase was mainly from the property, plant and equipment of high-purity iron business.

As at 30 June 2026, the inventories of the Group were RMB190,566,000, representing a decrease of RMB46,601,000 or 19.65% as compared to the end of the previous year, mainly due to the reduction in inventory volume of high-purity iron business.

As at 30 June 2026, the intangible assets of the Group were RMB704,201,000, representing an increase of RMB19,812,000 or 2.89% as compared to the end of the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

7. Trade and Other Receivables, Trade and Other Payables

As at 30 June 2026, the trade receivables of the Group were RMB112,302,000, representing a decrease of RMB127,505,000 as compared to the end of the previous year. Such decrease was mainly from the third-party trade receivables of RMB122,990,000 that have been factored to non-bank financial institutions at the end of the previous year.

As at 30 June 2026, the other receivables of the Group were RMB110,268,000, representing an increase of RMB18,642,000 as compared to the end of the previous year, mainly due to the increase in prepayment of procuring materials from suppliers.

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

As at 30 June 2026, the bills receivables of the Group were RMB250,938,000, representing a decrease of RMB28,189,000 as compared to the end of the previous year, of which, undiscounted and unendorsed bills receivables were RMB172,863,000. Such bills can be discounted at any time to satisfy the Group's capital requirement.

As at 30 June 2026, the trade payables of the Group were RMB66,173,000, representing a decrease of RMB48,727,000 as compared to the end of the previous year. As at 30 June 2026, the other payables of the Group were RMB185,040,000, representing an increase of RMB27,653,000 as compared to the end of the previous year, which was mainly from the payables of acquisition of property, plant and equipment.

8. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows in the first half of 2026 is set out below:

	For the six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Net cash flows from operating activities	(50,493)	(126,045)
Net cash flows from investing activities	(755,679)	(342,580)
Net cash flows from financing activities	898,753	559,290
Net increase in cash and cash equivalents	92,581	90,665
Cash and cash equivalents at the beginning of the period	405,568	358,128
Effect of changes in foreign exchange rate on cash and cash equivalents	(15,713)	(737)
Reversal (reclassification) of assets held for sale	–	1,817
Cash and cash equivalents at the end of the period	482,436	449,873

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

In the first half of 2026, the net cash outflow from operating activities was RMB50,493,000. The amount was mainly attributed to the loss before tax of RMB23,950,000, together with depreciation and amortization of RMB67,855,000, finance costs of RMB35,369,000, exchange loss of RMB27,743,000 and share-based payment of RMB31,441,000, which were offset by the net change in working capital of RMB146,543,000 and the payment of income tax of RMB33,784,000.

According to IFRS accounting standards, the cash flows from (i) proceeds from bills discounted to banks that are not derecognised in their entirety, and (ii) proceeds from factoring of trade receivables to non-bank financial institutions with full recourse, are classified under cash flow of financing activities, rather than under cash flow of operating activities. The Directors are of the view that both relevant cash flow items should be taken into consideration to fully reflect the cash flows generated from our operations. In the first half of 2026, the net cash outflow from operating activities after considering the above two relevant cash flows was RMB218,000 (the first half of 2025: net cash inflow from operating activities of RMB102,755,000).

In the first half of 2026, the net cash outflow from investing activities amounted to RMB755,679,000. The amount mainly included the amount of RMB71,959,000 paid for the addition of plant and equipment as well as acquisition of properties in order to achieve expansion of production capacity and technological upgrade, the amount of RMB25,429,000 paid for the acquisition of intangible assets, the amount of RMB35,681,000 paid for right-of-use assets, the net amount of RMB595,528,000 deposited in time deposit, the net placement of borrowings and bills deposits of RMB41,902,000, and the amount of RMB17,627,000 obtained from interest income.

In the first half of 2026, the net cash inflow from financing activities was RMB898,753,000, which was mainly from the new bank loans of RMB642,626,000, the repayment of bank loan of RMB698,902,000, the net inflow from notes financing of RMB228,150,000, the repayment of loan interest of RMB29,934,000, proceeds from bills discounted to banks that are not derecognised in their entirety of RMB50,275,000 and net proceeds from issuance of Shares of RMB688,456,000.

9. Cash and Borrowings

As at 30 June 2026, the available cash and acceptance bills of the Group amounted to RMB1,666,110,000, representing an increase of RMB722,454,000 or 76.56% as compared to the end of the previous year.

Breakdown of available cash and acceptance bills

	30 June 2026 RMB'000	31 December 2025 RMB'000	Changes Amount RMB'000	Ratio
Cash and bank balance	482,436	405,568	76,868	18.95%
Time deposit	1,010,811	437,620	573,191	130.98%
Acceptance bills (undiscounted and unendorsed)	172,863	100,468	72,395	72.06%
Available cash and acceptance bills	1,666,110	943,656	722,454	76.56%

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

As at 30 June 2026, the bills payables and borrowings of the Group amounted to RMB686,450,000 and RMB872,347,000, respectively, and the amount net of borrowings and bills deposits was RMB989,306,000, representing an increase of RMB102,496,000 or 11.56% as compared to the end of the previous year.

Breakdown of borrowings and bills payables

	30 June 2026 RMB'000	31 December 2025 RMB'000	Changes Amount RMB'000	Ratio
Borrowings – due within one year	506,125	989,306	(483,181)	(48.84%)
Borrowings – due after one year	366,222	122,500	243,722	198.96%
Subtotal	872,347	1,111,806	(239,459)	(21.54%)
Bills payables	686,450	458,300	228,150	49.78%
Total	1,558,797	1,570,106	(11,309)	(0.72%)
Less: borrowings and bills deposits	508,093	449,838	58,255	12.95%
Less: discounted acceptance bills	61,398	110,468	(49,070)	(44.42%)
Less: factored trade receivables	–	122,990	(122,990)	(100.00%)
Net borrowings and bills payables	989,306	886,810	102,496	11.56%

Save for the information disclosed above or otherwise disclosed in this report, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, loans, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that, save as disclosed above, there was no material change in the debts or contingent liabilities of the Group since 31 December 2025.

10. Gearing Ratio

The gearing ratio of the Group decreased from 51.98% as at 31 December 2025 to 44.58% as at 30 June 2026. The gearing ratio is calculated by dividing total liabilities by total assets.

The Group's net gearing ratio decreased from 24.81% as at 31 December 2025 to 19.53% as at 30 June 2026. The net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as cash and cash equivalents by total equity.

11. Major Risks

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

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

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

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

Foreign exchange risk: The Group holds foreign currency denominated monetary assets and monetary liabilities which are subject to fluctuation in the foreign exchange rate and may affect the net assets value and profit of the Group to some extent. As a result of multiple rounds of financing in the prior year and in the current interim period, the Group held substantial bank balances and cash and time deposits which are denominated in currencies other than the functional currency of the relevant group entities, such as United States dollars and Hong Kong dollars. The management of the Group will continue to monitor foreign exchange exposure, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Pledge of Assets and Contingent Liabilities

Some of the bank borrowings and bills payables of the Group are secured by bank deposits, property, plant and equipment, mining rights as well as right-of-use assets. As at 30 June 2026, the net carrying value of the pledged bank deposits, acceptance bills, property, plant and equipment, mining rights and right-of-use assets amounted to RMB508,093,000, RMB61,398,000, RMB102,373,000, RMB43,821,000 and RMB39,342,000, respectively.

As at 30 June 2026, the Group had no material contingent liabilities.

13. Capital Commitment

As at 30 June 2026, the capital commitment of the Group was RMB427,069,000, representing an increase of RMB190,461,000 or 80.50% as compared to the end of the previous year. The capital commitment mainly relates to engineering expenditures for the renovation and expansion of Maogong Mine, renovation expenditures for high-purity iron business and engineering expenditures for gold mine projects.

14. Capital Expenditure

The Group's capital expenditure increased from RMB79,012,000 in the first half of 2025 to RMB167,152,000 in the first half of 2026, representing a year-on-year increase of 111.55%. Expenditure incurred in the first half of 2026 mainly included (i) expenditure for plants, machines and equipment and properties amounting to RMB135,510,000; (ii) expenditure for intangible assets amounting to RMB29,519,000; and (iii) an increase of RMB2,123,000 in right-of-use assets.

15. Significant Investments Held

Save as disclosed herein, as at 30 June 2026, the Group did not hold other significant investments.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

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

On 26 March 2026, the Company entered into a share purchase agreement with non-controlling interests, pursuant to which the Company has conditionally agreed to acquire, and the non-controlling interests have severally and conditionally agreed to sell, such shares (representing in aggregate 9.56% equity interests of Hanking Gold Limited), resulting in the Company holding 100% interest in the gold business, subject to and on the terms and conditions of the share purchase agreement. The acquisition consideration under the share purchase agreement amounts to approximately HKD814,600,000 (representing RMB708,678,000). Such consideration was settled by the Company through allotment and issuance of 203,647,733 consideration Shares to non-controlling interests at an issue price of HKD4.0 per consideration Share on 2 June 2026.

Save as above, the Group had no other material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the first half of 2026.

17. Significant Subsequent Events

On 24 July 2026, the Group completed supplier selection for the processing plant ball mill and paid an initial deposit to secure the equipment. The ball mill represents a key long-lead item for the processing plant and is expected to support the targeted commencement of gold production in the first quarter of 2028.

On 10 August 2026, Primary Gold, a wholly-owned subsidiary of the Company, has awarded two contracts for the construction of the 5.5 Mtpa processing plant of the Mt Bundy Gold Project to the two principal delivery contractors, for the EPC of the Mt Bundy Dry Plant and the EPCM of the Mt Bundy Wet Plant, respectively. The aggregate contract value under the EPC Contract and the EPCM Contract is approximately AUD120.98 million.

The EPC Contract and the EPCM Contract provide the engineering, procurement, construction and construction management services required for the processing plant and represent a major step towards the Group's target of achieving first gold pour in the first quarter of 2028.

Save as disclosed above, there were no other significant events taken place subsequent to the end of the six months ended 30 June 2026.

18. Material Changes

Save as disclosed in this report, there have been no material changes in respect of the future development of the business of the Group (including the Company's prospects for the current financial year) since the publication of the Company's 2025 annual report.

OTHER INFORMATION

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

So far as the Company is aware, as at 30 June 2026, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO), which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions taken or deemed to have under such provisions of the SFO), or was, pursuant to Section 352 of the SFO, required to be recorded in the register referred to therein, or was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

Interests in the Shares of the Company:

Name of Director and Chief Executive	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Qiu Yumin ¹	Interest in controlled corporation	59,712,633 (long position)	2.44%
Zhang Jing ²	Interest in controlled corporation	37,099,911 (long position)	1.52%
	Beneficial owner	531,000 (long position)	0.02%
Tang Wenbin ²	Interest of spouse	37,630,911 (long position)	1.54%
Xia Zhuo ³	Interest in controlled corporation	10,018,133 (long position)	0.41%
	Beneficial owner	140,000 (long position)	Less than 0.01%
Zhang Junfeng	Beneficial owner	7,000,000 (long position)	0.29%

Notes:

1. Dr. Qiu Yumin and his spouse jointly hold 100% equity interests in Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust and Qiu Family Super Pty Ltd ATF Qiu Family Super Fund. Hence, Dr. Qiu Yumin is deemed to be interested in 52,421,733 Shares held by Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust and 7,290,900 Shares held by Qiu Family Super Pty Ltd ATF Qiu Family Super Fund.
2. QianLong Wealth Limited is indirectly held as to 99% by Futu Trustee Limited and 1% by Ms. Zhang Jing. Futu Trustee Limited is the trustee of the Yuanheng Trust, of which Ms. Zhang Jing is the settlor and one of the beneficiaries. Thus Ms. Zhang Jing is deemed to have an interest in 37,099,911 Shares held by QianLong Wealth Limited. Accordingly, Mr. Tang Wenbin, spouse of Ms. Zhang Jing, is also deemed to hold an interest in 37,630,911 Shares.
3. Mr. Xia Zhuo holds 100% interest in Splendour Ventures Limited. As a result, Mr. Xia Zhuo is deemed to hold interest in 10,018,133 Shares held by Splendour Ventures Limited. The accurate percentage of the 140,000 Shares beneficially owned by Mr. Xia Zhuo is 0.00572680%.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position taken or deemed to have under such provisions of the SFO), or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

(CONTINUED)

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 was the Company, its holding company, or any of its subsidiaries or associated corporations, a party to any arrangement which enables the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares, underlying shares or debentures of the Company or any of its associated corporations.

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

As at 30 June 2026, as far as the Directors, having made all reasonable enquiries, are aware, the following persons had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Status/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Yang Jiye ¹	Interest in controlled corporation	1,370,535,577 (long position)	56.06%
Bisney Success Limited	Beneficial owner	733,360,500 (long position)	30.00%
Tuochuan Capital Limited	Beneficial owner	637,175,077 (long position)	26.06%
Yang Min ²	Interest in controlled corporation	6,025,000 (long position)	0.25%
China Hanking (BVI) Limited	Beneficial owner	6,025,000 (long position)	0.25%
Bank of Fushun Co., Ltd., Xinfu Branch ³	Person having a security interest in Shares	500,000,000 (long position)	20.45%

Notes:

1. Mr. Yang Jiye holds 100% interest in each of Bisney Success Limited and Tuochuan Capital Limited. As a result, Mr. Yang Jiye is deemed to hold interest in 733,360,500 Shares held by Bisney Success Limited and 637,175,077 Shares held by Tuochuan Capital Limited.
2. Ms. Yang Min holds 100% interest in China Hanking (BVI) Limited. Thus Ms. Yang Min is deemed to have an interest in 6,025,000 Shares held by China Hanking (BVI) Limited.
3. On 11 June 2025, Bisney Success Limited and Tuochuan Capital Limited pledged 200,000,000 Shares and 300,000,000 Shares respectively in favour of Bank of Fushun Co., Ltd., Xinfu Branch as securities for certain loans. Details of which are set out in the announcement of the Company dated 11 June 2025.

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION

(CONTINUED)

3. CHANGES OF DIRECTORS AND CHIEF EXECUTIVE AND THEIR INFORMATION

At the annual general meeting (the “AGM”) of the Company held on 22 May 2026, in accordance with article 84(1) of the Articles of Association, Ms. Zhang Jing (executive Director), Mr. Zhao Yanchao (non-executive Director) and Dr. Wang Anjian (independent non-executive Director) retired by rotation at the AGM, and being eligible, offered themselves for re-election. Pursuant to Article 83(3) of the Articles of Association, Mr. Tang Wenbin and Mr. Zhang Junfeng (appointed as executive Directors by the Board on 14 January 2026) and Dr. Tim Sun (appointed as an independent non-executive Director by the Board on 25 March 2026) retired at the AGM, and being eligible, offered themselves for re-election.

On 25 June 2026, Dr. Tim Sun, an independent non-executive Director, has been appointed as an independent non-executive director of Breton Technology Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1333).

On 20 August 2026, Mr. Wang Ping, an independent non-executive Director, was appointed as the lead independent non-executive Director, whose primary responsibility is to facilitate and strengthen communication (i) among the independent non-executive Directors; (ii) between the independent non-executive Directors and the other members of the Board; and (iii) with the Shareholders (in particular, the minority Shareholders). The position of the lead independent non-executive Director is not an executive position in the Company, and the holder of such position does not have any management role in the Group.

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

4. DIRECTORS’ SERVICE CONTRACT

The Company has entered into a director’s service contract with each of the Directors. The particulars of these service contracts include: (1) the term of their appointment as Directors is for three years commencing from 17 March 2024 (in the case of Dr. Qiu Yumin, Ms. Zhang Jing, Mr. Xia Zhuo, Mr. Zhao Yanchao, Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen); from 14 January 2026 to 16 March 2027 (in the case of Mr. Tang Wenbin and Mr. Zhang Junfeng); from 25 March 2026 to 16 March 2027 (in the case of Dr. Tim Sun); and (2) are subject to early termination in accordance with their respective terms.

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

The Company has adopted the Model Code, and also formulated the Written Guideline on Dealings in the Securities of the Company by Directors and the Relevant Employees (the “Company Guideline”), which adopted the standards equivalent to the provisions of Appendix C3 to the Listing Rules as the model code regarding dealings in the Company’s securities by the Directors and the relevant employees. Specific enquiries have been made to all Directors and the relevant employees of the Company, who have confirmed that they have complied with the Model Code and the Company Guideline throughout the six months period ended 30 June 2026.

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

For the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury Shares (as defined under the Listing Rules), if any). The Company did not have any treasury Shares as at 30 June 2026.

OTHER INFORMATION

(CONTINUED)

7. EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 1,697 employees (as at 30 June 2025: 1,698 employees).

For the six months ended 30 June 2026, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB129,307,000 (for the six months ended 30 June 2025: RMB104,687,000). The remuneration policy of the Group is formulated on the basis of performance of individual employees and the prevailing salaries' trends in various regions, emphasizing on the direct relation between the employees' income and the operation performance and revenue of the Group. The remuneration policy is subject to review by the Group every year. The Group also provides its employees with training programmes, mandatory provident fund scheme, pension, medical insurance, occupational injury insurance, unemployment insurance, maternity insurance and other insurances required by the government as well as discretionary bonuses.

8. CORPORATE GOVERNANCE

Save as disclosed herein, during the six months ended 30 June 2026, the Company has complied with the principles and all the applicable code provisions of Part 2 of the Corporate Governance Code and, meanwhile, complied with most of the best practices as recommended therein.

From 20 March 2018 to 13 January 2026, Mr. Yang Jiye was the chairman of the Board, executive Director, and also the chief executive officer ("CEO") and president of the Company. Although this was not in compliance with the requirements under code provision C.2.1 of Part 2 of the Corporate Governance Code that the roles of chairman and CEO should be segregated, the Company believed that vesting the roles of both chairman of the Board and CEO in Mr. Yang Jiye at that time could provide strong and consistent leadership and enable more effective planning and better execution of long-term business strategies, which was beneficial to the overall development of the Company. The Company's decision-making structure required all material decisions to be made by all Directors collectively to ensure a balanced distribution of powers and authority. On 14 January 2026, Mr. Yang Jiye resigned from his positions as the chairman of the Board, executive Director, CEO and president of the Company. On the same date, the Company appointed Mr. Xia Zhuo as the chairman of the Board and Dr. Qiu Yumin as the CEO respectively. Since then, the roles of the chairman of the Board and CEO have been formally segregated and the Company is now fully in compliance with Code Provision C.2.1 of the Corporate Governance Code. Further details are set out in the Company's announcement dated 14 January 2026.

9. AUDIT COMMITTEE

During the period from 1 January 2026 to 30 June 2026, the Audit Committee comprised three independent non-executive Directors, namely Mr. Wang Ping (Chairman of the Audit Committee), Dr. Wang Anjian and Mr. Zhao Bingwen.

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

The Audit Committee, which has reviewed the 2026 interim results and interim report for the six months ended 30 June 2026 of the Company which has not been audited by the independent auditor, believes that the interim results have been prepared in accordance with the accounting standards, rules and regulations adopted, and made appropriate disclosure.

10. INTERIM DIVIDEND

Given that the Company is currently arranging financing to advance the construction of the Mt Bundy Gold Project, with a view to optimising capital utilisation, facilitating the smooth progress of gold mining operations and safeguarding the long-term interests of the Shareholders, the Board proposes that no dividends be distributed to the Shareholders prior to the production of the gold mine. Accordingly, the Board has resolved not to pay the interim dividend for the six months ended 30 June 2026 to the Shareholders.

OTHER INFORMATION

(CONTINUED)

11. MAJOR LEGAL PROCEEDING

During the six months ended 30 June 2026, the Group was not involved in any major legal proceedings or arbitrations. To the knowledge of the Directors, there is no other pending or potential major legal proceeding or claim.

12. CONTINUING DISCLOSURE UNDER THE LISTING RULES

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

Save as disclosed above, the Company had no other disclosure obligations under Rule 13.20, Rule 13.21 and Rule 13.22 of the Listing Rules as at 30 June 2026.

13. RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "**Scheme**") on 29 August 2019, which shall be valid and effective for a period of 10 years. The maximum number of Award Shares that may be granted under the Scheme in aggregate shall be no more than 90,000,000 Shares, representing 3.68% of the total issued Shares as of the date of this report.

The purpose and objective of the Scheme are (i) to recognize and motivate the contribution of the key management personnel and core employees of the Group; (ii) to help the Group retain and attract the selected participants in attaining the long term business objectives of the Company; and (iii) to further align the interests of the selected participants directly to the Shareholders through ownership of Shares.

The Company, as the settlor, has entered into a trust deed with First Shanghai Securities Limited (第一上海證券有限公司) (the "**Trustee**") in respect of the appointment of the Trustee for the administration of the Scheme. The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Scheme (the "**Scheme Rules**") and the trust deed.

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

As of the date of this report, the Trustee, as instructed by the Board, purchased a total of 39,539,000 Shares on the market at a total consideration of HKD50,438,200 (No Shares were purchased during the six months ended 30 June 2026). The Trustee holds these Shares pursuant to the Scheme Rules and the terms of the trust deed. Since the adoption of the Scheme and up to the date of this report, no Award Shares have been granted to any eligible participants under the Scheme. Accordingly, 90,000,000 Award Shares were available for grant under the Scheme as of 1 January 2026, 30 June 2026, and the date of this report (representing approximately 3.68% of the issued Shares as at the date of this report). There is no service provider sublimit under the Scheme.

OTHER INFORMATION

(CONTINUED)

14. ISSUE OF CONSIDERATION SHARES

On 26 March 2026 (after trading hours), the Company entered into the share purchase agreement with thirteen vendors (among which, eight are independent third parties and five are connected persons of the Company) under the share purchase agreement, pursuant to which the Company conditionally agreed to acquire the shares of Hanking Gold Limited held by the vendors, representing in aggregate 9.56% of the total issued shares of Hanking Gold Limited. The independent Shareholders approved the share purchase agreement and the transactions contemplated thereunder, as well as the specific mandate for the allotment and issue of the consideration shares, at the extraordinary general meeting held on 22 May 2026.

On 2 June 2026, the Company allotted and issued an aggregate of 203,647,733 ordinary shares of HK\$0.10 each, with an aggregate nominal value of HK\$20,364,773.30, to the vendors pursuant to the specific mandate at an issue price of HK\$4.00 per Share, in full settlement of the consideration of approximately HK\$814.6 million for the acquisition. The issue price represented a premium of approximately 14.94% over the closing price of HK\$3.48 per Share as quoted on the Stock Exchange on 26 March 2026, being the date of the share purchase agreement.

As the consideration shares were issued as consideration for the acquisition of the 9.56% equity interest in Hanking Gold Limited and were not subscribed for in cash, the Company did not raise any cash proceeds from the issue of the consideration shares. Accordingly, the net price per consideration share and the use of proceeds are not applicable. Upon completion of the acquisition, Hanking Gold Limited became a wholly-owned subsidiary of the Company.

For details, please refer to the announcement of the Company dated 26 March 2026 and the circular dated 23 April 2026.

By order of the Board

Mr. Xia Zhuo

Chairman of the Board and non-executive Director

20 August 2026

◆ FINANCIAL REPORT

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HANKING GOLD INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Hanking Gold International Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 68, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The directors of the Company (the "Directors") are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	NOTES	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3A	911,593	1,405,188
Cost of sales		(711,781)	(1,044,411)
Gross profit		199,812	360,777
Other income	4A	18,112	5,077
Other gains and losses	4B	(43,380)	5,242
Impairment losses under expected credit loss ("ECL") model, net of reversal		6,246	(5,964)
Distribution and selling expenses		(41,319)	(50,701)
Administrative expenses		(127,414)	(101,450)
Research and development expenses		—	(68)
Other expense		(896)	(409)
Share of results of associates		258	(389)
Finance costs		(35,369)	(37,154)
(Loss) profit before tax		(23,950)	174,961
Income tax expense	6	(31,738)	(70,424)
(Loss) profit for the period	5	(55,688)	104,537
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Impairment loss for receivables at fair value through other comprehensive income ("FVTOCI") included in profit or loss		593	5,595
Exchange differences arising on translation of foreign operations		(9,337)	17,842
Other comprehensive (expense) income for the period		(8,744)	23,437
Total comprehensive (expense) income for the period		(64,432)	127,974
(Loss) profit for the period attributable to:			
Owners of the Company		(52,024)	104,318
Non-controlling interests		(3,664)	219
		(55,688)	104,537
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(57,747)	127,520
Non-controlling interests		(6,685)	454
		(64,432)	127,974
Basic and diluted (loss) earnings per share (RMB cent per share)	9	(2.4)	5.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	738,302	659,263
Goodwill	10	200,578	209,132
Intangible assets	12	704,201	684,389
Right-of-use assets	13	186,009	192,495
Interests in associates	14	9,661	9,598
Financial assets at fair value through profit or loss ("FVTPL")		183	252
Deferred tax assets		84,674	82,662
Deposits on acquisition of long-lived assets		50,385	21,619
Restricted deposits	15	43,634	39,500
Other receivable	16	3,600	—
		2,021,227	1,898,910
Current assets			
Inventories		190,566	237,167
Trade and other receivables	16	218,970	331,433
Receivables at FVTOCI	17	250,938	279,127
Pledged bank deposits	18	508,093	449,838
Time deposits	18	1,010,811	437,620
Cash and cash equivalents	18	482,436	405,568
		2,661,814	2,140,753
Current liabilities			
Trade, bills and other payables	19	935,663	728,587
Amount due to a related party	25	31,941	8,614
Borrowings	20	506,125	989,306
Lease liabilities		3,260	3,721
Contract liabilities		32,515	41,177
Tax liabilities		105,254	105,288
		1,614,758	1,876,693
Net current assets		1,047,056	264,060
Total assets less current liabilities		3,068,283	2,162,970

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	20	366,222	122,500
Lease liabilities		4,756	6,986
Provisions		99,893	91,537
Other payable	19	2,000	2,000
		472,871	223,023
Net assets		2,595,412	1,939,947
Capital and reserves			
Share capital	21	203,205	167,055
Reserves		2,396,771	1,673,022
Equity attributable to owners of the Company		2,599,976	1,840,077
Non-controlling interests		(4,564)	99,870
Total equity		2,595,412	1,939,947

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company													Total RMB'000
	Share capital RMB'000	Restricted shares held for Incentive Award Scheme RMB'000	Share premium RMB'000	Statutory surplus reserve RMB'000	Future development funds reserve RMB'000 (note a)	FVOCI reserve RMB'000	Translation reserve RMB'000	Share- based payments reserve RMB'000	Special reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non- controlling interests RMB'000	
At 1 January 2026 (audited)	167,055	(44,332)	546,990	251,760	618,065	3,595	(13,813)	14,626	(1,577,161)	(34,862)	1,908,154	1,840,077	99,870	1,939,947
Loss for the period	—	—	—	—	—	—	—	—	—	—	(52,024)	(52,024)	(3,664)	(55,688)
Other items of comprehensive income (expense) for the period	—	—	—	—	—	593	(6,316)	—	—	—	—	(5,723)	(3,021)	(8,744)
Total comprehensive income (expense) for the period	—	—	—	—	—	593	(6,316)	—	—	—	(52,024)	(57,747)	(6,685)	(64,432)
Transfer to future development funds reserve, net of utilisation	—	—	—	—	(9,158)	—	—	—	—	—	9,158	—	—	—
Recognition of equity-settled share-based payments	—	—	—	—	—	—	—	31,441	—	—	—	31,441	—	31,441
Issue of shares of the Company (note 21)	36,150	—	1,372,963	—	—	—	—	—	—	—	—	1,409,113	—	1,409,113
Transaction costs attribute to issue of shares	—	—	(11,979)	—	—	—	—	—	—	—	—	(11,979)	—	(11,979)
Acquisition of non-controlling interest of Hanking Gold Limited ("HGL") (note 7)	—	—	—	—	—	—	1,868	—	—	(612,797)	—	(610,929)	(97,749)	(708,678)
At 30 June 2026 (unaudited)	203,205	(44,332)	1,907,974	251,760	608,907	4,188	(18,261)	46,067	(1,577,161)	(647,659)	1,865,288	2,599,976	(4,564)	2,595,412
At 1 January 2025 (audited)	160,203	(44,332)	342,158	250,125	602,552	5,646	(27,396)	10,091	(1,577,161)	(75,379)	1,788,284	1,434,791	6,811	1,441,602
Profit for the period	—	—	—	—	—	—	—	—	—	—	104,318	104,318	219	104,537
Other items of comprehensive income for the period	—	—	—	—	—	5,595	17,607	—	—	—	—	23,202	235	23,437
Total comprehensive income for the period	—	—	—	—	—	5,595	17,607	—	—	—	104,318	127,520	454	127,974
Transfer to future development funds reserve, net of utilisation	—	—	—	—	13,408	—	—	—	—	—	(13,408)	—	—	—
Recognition of equity-settled share-based payments	—	—	—	—	—	—	—	906	—	—	—	906	—	906
Dividend declared	—	—	—	—	—	—	—	—	—	—	(35,131)	(35,131)	—	(35,131)
Profit appropriation to statutory surplus reserve	—	—	—	473	—	—	—	—	—	—	(473)	—	—	—
Deregistration of Shandong Hanking Bangkai Green Building Materials Co., Ltd* (山東罕王邦凱綠色建材 有限公司)	—	—	—	—	—	—	—	—	—	—	—	—	630	630
Contribution from non-controlling interests of Cygnet Gold Pty Ltd ("Cygnet Gold")	—	—	—	—	—	—	—	—	—	—	—	—	3,004	3,004
At 30 June 2025 (unaudited)	160,203	(44,332)	342,158	250,598	615,960	11,241	(9,789)	10,997	(1,577,161)	(75,379)	1,843,590	1,528,086	10,899	1,538,985

* English name is for identification purpose only.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Note:

Other than the disclosure relating to the current period movements in future development funds reserve as described below, the definition and nature of statutory reserve, future development funds reserve, special reserve and other reserves are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

- (a) The fund comprises mainly the safety fund which can be used for safety facilities and environment improvement. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from this safety fund to retained earnings. This safety fund is not available for distribution to shareholders. The amount provided and utilised during the current interim period amounted to RMB 15,387,000 (30 June 2025: RMB27,516,000) and RMB 24,545,000 (30 June 2025: RMB14,108,000) respectively.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash used in operating activities	(50,493)	(126,045)
Investing activities		
Purchases of property, plant and equipment	(71,959)	(13,295)
Payments for intangible assets	(25,429)	(76,217)
Payments for right-of-use assets	(35,681)	(2,042)
Proceeds on disposal of property, plant and equipment	1,355	1,725
Interest received	17,627	3,149
Placement of restricted deposits	(4,162)	(290)
Advance to an associate	–	(3,000)
Repayment received from an associate	–	3,000
Payment received from a shareholder of an associate	–	1,500
Reimbursement of exploration and evaluation cost received from Huineng Gold Pty Ltd ("Huineng Gold")	–	11,973
Withdrawal of pledged bank deposits in relation to borrowings and bills payable	461,673	448,599
Placement of pledged bank deposits in relation to borrowings and bills payable	(503,575)	(717,682)
Placement of time deposits	(2,583,424)	–
Withdrawal of time deposits	1,987,896	–
Net cash used in investing activities	(755,679)	(342,580)
Financing activities		
Proceeds from bills discounted to banks that are not derecognised in their entirety	50,275	171,800
Proceeds from factoring of trade receivables to non-bank financial institutions with full recourse	–	57,000
New borrowings raised	642,626	684,799
Repayments of borrowings	(698,902)	(572,380)
Proceeds from notes financing	644,450	798,657
Payments for notes financing	(416,300)	(508,578)
Payments of lease liabilities	(2,245)	(1,797)
Interest paid	(29,934)	(36,781)
Dividend paid to owners of the Company	–	(37,559)
Advance from a related party	176,347	371,621
Repayment of advance from a related party	(156,020)	(370,496)
Contribution from non-controlling interests of Cygnet Gold	–	3,004
Proceeds from issue of shares	700,435	–
Transaction costs attributable to issue of shares	(11,979)	–
Net cash from financing activities	898,753	559,290
Net increase in cash and cash equivalents	92,581	90,665
Cash and cash equivalents at 1 January	405,568	358,128
Reclassification upon cessation of classification as assets held for sale	–	1,817
Effect of foreign exchange rate changes	(15,713)	(737)
Cash and cash equivalents at 30 June	482,436	449,873

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

A. General Information

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

B. Going Concern Assessment

The directors of Hanking Gold International Limited (the "Company") have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than change in accounting policies resulting from application of amendments to IFRS accounting standards, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Accounting policies which became relevant to the Group during the current interim period:

Leases

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

NOTES TO THE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

For the six months ended 30 June 2026

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)***Application of amendments to IFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by IASB, for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards Volume 11

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

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS**Disaggregation of revenue from contracts with customers**

	For the six months ended 30 June 2026			
	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Sales of goods (recognised at a point in time)				
Iron ore concentrates	132,386	–	–	132,386
High-purity iron	–	776,381	–	776,381
Building materials	–	–	214	214
Raw and leftover materials	588	1,692	–	2,280
	132,974	778,073	214	911,261
Rendering of service (recognised over time)				
Processing of iron ore	332	–	–	332
Total	133,306	778,073	214	911,593
Geographical markets				
Mainland China	133,306	778,073	214	911,593

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For the six months ended 30 June 2026

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

Disaggregation of revenue from contracts with customers *(Continued)*

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

3B. OPERATING SEGMENTS

The Group's operating businesses are structured and managed separately based on their geographical locations and product lines. The principal activities of the Group are iron ore exploration, mining, processing and sale ("Iron Ore Business"), production and sales of high-purity iron ("High-purity Iron Business") in the People's Republic of China (the "PRC"), and gold exploration ("Gold Business") in Australia. The Group identified an operating segment which is a component of the Group (a) that engages in business activities from which it may earn revenue and incur expenses; and (b) whose operating results are reviewed regularly by the chief executive officer, being the chief operating decision maker, to make decisions about resources allocation and performance assessment.

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

Other operating segment includes production and sales of building materials (i.e., foamed ceramics) and leasehold lands.

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3B. OPERATING SEGMENTS *(Continued)*

Segment revenue and results

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

Six months ended 30 June 2026

	Iron Ore Business RMB'000 (Unaudited)	High-purity Iron Business RMB'000 (Unaudited)	Gold Business RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Adjustments and eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue						
External sales	133,306	778,073	–	214	–	911,593
Inter-segment sales	196,143	1,145	–	—	(197,288)	–
	329,449	779,218	–	214	(197,288)	911,593
Segment profit (loss)	103,470	(52,941)	(48,679)	(4,415)	(3,028)	(5,593)
Central administration costs and directors' salaries						(3,051)
Other income and other gains and losses						(15,564)
Share of results of associates						258
Group's loss before tax						(23,950)

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For the six months ended 30 June 2026

3B. OPERATING SEGMENTS *(Continued)*

Segment revenue and results *(Continued)*

Six months ended 30 June 2025

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

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For the six months ended 30 June 2026

3B. OPERATING SEGMENTS *(Continued)*

Segment assets and liabilities

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

Segment assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Iron Ore Business	1,216,683	1,203,052
High-purity Iron Business	1,491,041	1,631,543
Gold Business	1,604,956	1,056,488
Total reportable segment assets	4,312,680	3,891,083
Other reporting segments	60,559	63,073
Unallocated		
Cash and cash equivalents	197,743	75,657
Time deposits	100,000	–
Interests in associates	9,661	9,598
Other receivables	2,215	–
Financial assets at FVTPL	183	252
Consolidated assets	4,683,041	4,039,663

Segment liabilities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Iron Ore Business	935,949	885,793
High-purity Iron Business	1,069,399	1,134,325
Gold Business	41,991	39,090
Total reportable segment liabilities	2,047,339	2,059,208
Other reporting segment	2,884	3,102
Unallocated		
Tax liabilities	37,406	37,406
Consolidated liabilities	2,087,629	2,099,716

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For the six months ended 30 June 2026

3B. OPERATING SEGMENTS *(Continued)*

Segment assets and liabilities *(Continued)*

Segment liabilities (Continued)

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

- all assets are allocated to reportable and operating segments other than time deposits, cash and cash equivalents, interest in associates, certain other receivables and financial assets at FVTPL which are held by the headquarter and cannot be allocated; and
- all liabilities are allocated to reportable and operating segments other than certain tax liabilities incurred by the headquarter.

Geographical information

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

Information about the Group's non-current assets is presented based on the geographical location of the respective assets.

	Non-current assets	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
The PRC	1,320,423	1,237,397
Australia	560,171	530,815
Japan	8,542	8,284
	1,889,136	1,776,496

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

NOTES TO THE CONDENSED CONSOLIDATED
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For the six months ended 30 June 2026

3B. OPERATING SEGMENTS *(Continued)*

Information about major customers

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A ¹	130,918	248,019

1 Revenue from sales of high-purity iron.

4A. OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Bank interest income	16,872	4,450
Government grants	604	27
Rental income	636	600
	18,112	5,077

4B. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Impairment loss in respect of goodwill (note 10)	(8,554)	—
Impairment loss on property, plant and equipment (note 11)	(3,804)	—
Impairment loss on interest in an associate (note 14)	(195)	—
Fair value loss on financial assets at FVTPL	(69)	(37)
Net foreign exchange (loss) gain	(27,743)	1,150
(Loss) gain on disposal of property, plant and equipment	(130)	1,546
Others	(2,885)	2,583
	(43,380)	5,242

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation and amortisation:		
– Depreciation of property, plant and equipment	51,150	59,055
– Depreciation of right-of-use assets	7,985	7,391
– Amortisation of intangible assets	8,720	8,512
Total depreciation and amortisation	67,855	74,958
Capitalised in inventories	(57,660)	(64,090)
	10,195	10,868
Staff costs (including directors):		
– Salary and other benefits	85,963	91,142
– Bonus	5,092	5,895
– Retirement benefits scheme contributions	6,811	6,744
– Share-based payment	31,441	906
Total staff costs	129,307	104,687
Capitalised in inventories	(40,454)	(46,383)
	88,853	58,304

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For the six months ended 30 June 2026

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Income tax expenses comprise:		
PRC enterprise income tax ("EIT") - current	32,736	47,452
Withholding tax	–	3,575
Under provision of EIT in prior years	1,014	750
	33,750	51,777
Deferred tax expense	(2,012)	18,647
Income tax expense	31,738	70,424

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

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

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

7. ACQUISITION OF NON-CONTROLLING INTEREST OF SUBSIDIARIES**Acquisition of non-controlling interest of HGL**

On 26 March 2026, the Company entered into a share purchase agreement with the non-controlling interest, pursuant to which, the Company conditionally agreed to acquire, and the non-controlling interest severally and conditionally agreed to sell, the shares, representing in aggregate 9.56% equity interest of HGL, resulting in the Company holding 100% interest in the Gold Business, subject to and on the terms and conditions of the share purchase agreement.

The consideration for the acquisition under the share purchase agreement shall be an aggregate amount of approximately HKD814,600,000 (equivalent to RMB708,678,000), which was settled by the allotment and issue of 203,647,733 consideration shares by the company to the non-controlling interests on 2 June 2026 at the issue price of HKD4.0 per consideration share. The excess consideration over the non-controlling interest of RMB97,749,000 as at 2 June 2026, net of the RMB1,868,000 reallocation of translation reserve arising from the change in ownership interest, totaling RMB612,797,000 was taken to other reserve in the consolidated statement of changes in equity.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. ACQUISITION OF NON-CONTROLLING INTEREST OF SUBSIDIARIES *(Continued)*

Acquisition of non-controlling interest of HGL *(Continued)*

Details of the consideration shares allotted and issued are set out below:

Name of parties	Ultimately controlled by	Consideratione Shares allotted and issued	Consideratione (HKD million)	Consideratione (RMB million)
Related parties:				
Golden Resource Investment Pty Ltd ATF Golden Discovery Holdings Trust (“Golden Resource”)	Dr. Qiu Yumin (“Dr. Qiu”)	55,338,093	221.4	192.6
Qiu Family Super Pty Ltd ATF Qiu Family Super Fund	Dr. Qiu	4,374,540	17.5	15.2
Tuochuan Capital Limited	Mr. Yang Jiye	17,473,911	69.9	60.8
QianLong Wealth Limited	Ms. Zhang Jing	17,473,911	69.9	60.8
Mingde Capital Limited	Mr. Zheng Xuezhi	17,473,911	69.9	60.8
Sub-total		112,134,366	448.6	390.2
Independent third parties		91,513,367	366.0	318.5
Total		203,647,733	814.6	708.7

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

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

9. (LOSS) EARNINGS PER SHARE

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted earnings per share for the period attributable to owners of the Company	(52,024)	104,318
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,199,959,000	1,920,461,000

The weighted average number of ordinary shares for the six months ended 30 June 2026 for the purpose of basic and diluted (loss) earnings per share has been adjusted for the weighted average effect of 206,000,000 ordinary shares issued on 29 January 2026 and 203,647,733 ordinary shares issued on 2 June 2026. The computation of diluted loss per share for the six months ended 30 June 2026 has not considered shares options granted under the share incentive plan, the unvested restricted-shares, as its inclusion would be anti-dilutive.

10. GOODWILL

For the purpose of impairment testing, goodwill arising from the acquisition of Emerald Planet Group during the year ended 31 December 2020 have been allocated to a single individual CGU operating in the High Purity Iron Business segment, which is Yuqilin factory.

During the current interim period, Yuqilin factory suspended production since the beginning of the year due to implementation of ultra-low emission renovation project to fulfill the relevant government regulations. In addition, associated capital expenditure has exceeded expectations. The management of the Group conducted impairment assessment on the carrying amount of the CGU. Based on the result of the assessment, the Group recognised impairment loss of goodwill directly related to this CGU amounting to RMB8,554,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had additions of property, plant and equipment of RMB135,510,000 (six months ended 30 June 2025: RMB8,632,000) for expansion of business and production capacity, and energy conservation and environmental protection facilities of the Group.

In addition, during the current interim period, the Group recognised an impairment loss of RMB1,905,000 in respect of the High-purity Iron Business and RMB1,899,000 in respect of the Iron Ore Business (six months ended 30 June 2025: nil).

The impairment loss of RMB1,905,000 in respect of the High-purity Iron Business arising from the implementation of ultra-low emission renovation project during 2026. Certain existing property, plant and equipment of the business will be retired and replaced upon completion of the renovation.

Accordingly, the Group recognised an impairment loss to write down the carrying amounts of the relevant existing assets to their recoverable amounts.

The impairment loss of RMB1,899,000 in respect of the Iron Ore Business arising from the planned discontinuation of the relevant construction in progress, which will no longer be utilised in future operations.

12. MOVEMENTS IN INTANGIBLE ASSETS

During the current interim period, the Group had additions of exploration and evaluation assets and software of RMB29,519,000 (six months ended 30 June 2025: additions of mining right, exploration and evaluation assets, technical know-how and software of RMB66,217,000).

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

13. MOVEMENTS IN RIGHT-OF-USE ASSETS

During the current interim period, the Group recognised leasehold lands of RMB2,123,000 (six months ended 30 June 2025: leasehold lands and office and premises of RMB4,163,000) and no lease liabilities (six months ended 30 June 2025: RMB1,917,000) has been recognised during the current interim period.

14. INTERESTS IN ASSOCIATES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cost of investment in associates	8,384	47,384
Share of post-acquisition result	1,472	(12,559)
Impairment	(195)	(25,227)
	9,661	9,598

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14. INTERESTS IN ASSOCIATES *(Continued)*

Name of associates	Principal activities	Place of establishment and operation	Proportion of ownership interest and voting power held by the Group	
			30 June 2026 %	31 December 2025 %
Tibet Oudi Electronic Technology Co., Ltd* (西藏歐帝電子科技有限公司) ("Tibet Oudi") (note a)	Production and sales of LCD products	PRC	N/A	10.50
MCW Limited* (株式會社MCW) (note b)	Nursing school	Japan	15.00	15.00
Nanjing Yiou Software Co., Ltd* (南京驛歐軟件有限公司) ("Nanjing Yiou") (note c)	PRC	PRC	20.00	20.00

* English name is for identification purpose only.

Notes:

- a) The investment in Tibet Oudi was made by Shanghai Tuao Industry Limited ("Shanghai Tuao"), a wholly owned subsidiary of the Group. Shanghai Tuao entitled the right to appoint one director out of five in the board of directors of Tibet Oudi, as such, the directors of the Company considered the Group is able to exercise significant influence over Tibet Oudi and accounted for as investment in an associate. Owing to the ongoing financial losses, the management of the Group closely monitors its financial performance and has conducted an impairment assessment on the Group's interest in Tibet Oudi. As of 31 December 2025, the premium on acquisition of Tibet Oudi amounted to RMB25,227,000 was fully impaired. During the current interim period, Tibet Oudi amended its articles of association to provide for only one director seat. Accordingly, the right to appoint director of Tibet Oudi was expired and Mr. Tang Wenbin, the representative appointed by the Group, has resigned as director, as such, the directors of the Company considered the Group no longer has the ability to exercise significant influence over Tibet Oudi. The Company derecognised the cost of investment of RMB39,000,000, its share of post-acquisition loss of RMB13,773,000 and impairment loss of RMB25,227,000 in relation to Tibet Oudi.
- b) The investment was made directly by the Company. The Company entitled the right to appoint two directors out of five in the board of directors, accordingly, the directors of the Company considered the Group is able to exercise significant influence over MCW Limited and accounted for as investment in an associate.
- c) The investment in Nanjing Yiou was made by Shanghai Tuao during 2025. Shanghai Tuao entitled the right to appoint one director out of five in the board of directors of Nanjing Yiou, as such, the Directors considered the Group is able to exercise significant influence over Nanjing Yiou and accounted for as investment in an associate. In May 2026, the shareholders of Nanjing Yiou determined to deregister company. Therefore, the management of the Group recognised an impairment loss of RMB195,000 based on the expected recoverable investment amount of RMB805,000 upon the deregistration. On 24 July 2026, the deregistration was completed.

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15. RESTRICTED DEPOSITS

As at 30 June 2026, restricted deposits of RMB 43,634,000 (31 December 2025: RMB39,500,000) are deposits placed in banks as rehabilitation deposits for iron and gold mining operations. These deposits were not expected to be released within the next twelve months, accordingly, they were classified as non-current assets.

16. TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables (note i)		
– Related parties (note 25)	911	3,814
– Third parties	128,225	259,664
Less: allowance for credit loss	(16,834)	(23,671)
	112,302	239,807
Other receivables - current		
– Advances to suppliers	52,026	40,483
– Interest receivable	3,552	4,307
– Deposits	4,065	3,115
– Deposit for resource tax	11,040	11,635
– Other tax recoverable	4,672	3,940
– Value-added tax recoverable	20,633	18,537
– Staff advance	2,662	1,617
– Prepaid expense	6,000	6,794
– Others	15,980	15,238
	120,630	105,666
Less: allowance for credit loss	(13,962)	(14,040)
	106,668	91,626
Other receivable - non-current		
– Deposits (note ii)	3,600	–
Total other receivables	110,268	91,626
Total trade and other receivables	222,570	331,433

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16. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

- (i) The Group allows an average credit period of 7 days (2025: 7 days) to customers of iron ore concentrates, 60 days (2025: 60 days) to customers of high-purity iron, 30 days (2025: 30 days) to customers of building materials and 30 days (2025: 30 days) to its customer of processing of iron ore. However, upon maturity of the credit period, the Group would further negotiate with its customers and may consider to extend the repayment date, based on customers' history of payment and credit quality, on a case-by-case basis.

As at 30 June 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,820,000 (2025: RMB 112,437,000) which are past due.

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice dates, which approximated the revenue recognition date:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
– Within 7 days	81,610	63,165
– 8 days to 30 days	15,733	29,479
– 31 days to 60 days	12,470	33,383
– 61 days to 90 days	2,106	23,049
– 91 days to 1 year	383	90,198
– 1 year to 2 years	–	533
	112,302	239,807

- (ii) The long-term deposits of RMB3,600,000 arise from sale and leaseback transactions, which will be refunded upon expiry of the lease term.

17. RECEIVABLES AT FVTOCI

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Receivables at FVTOCI comprise:		
Bills receivables	250,938	279,127

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17. RECEIVABLES AT FVTOCI (Continued)

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
– Within 6 months	250,938	279,127

17A. TRANSFERS OF FINANCIAL ASSETS

17A.1 Transferred financial assets that are not derecognised in their entirety

The following were the Group's financial assets as at 30 June 2026 that were transferred to banks or suppliers by discounting/endorsing (31 December 2025: transferred to banks, suppliers or non-bank financial institutions by discounting/endorsing or factoring) on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of the receivables and (i) recognised the cash received as other borrowings or bank borrowings from factoring of the trade receivables or discounting of the bills and (ii) recognised the trade payables from endorsement of the bills with full recourse. The trade receivables are carried at amortised cost and the bills receivables are carried at fair value in the consolidated statement of financial position.

As at 30 June 2026

	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	50,275	27,800	78,075
Carrying amount of associated liabilities	(50,275)	(27,800)	(78,075)
Net position	–	–	–

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For the six months ended 30 June 2026

17A. TRANSFERS OF FINANCIAL ASSETS *(Continued)***17A.1 Transferred financial assets that are not derecognised in their entirety** *(Continued)**As at 31 December 2025*

	Factoring of trade receivables to non-bank financial institutions with full recourse RMB'000	Bills discounted to banks that are not derecognised in their entirety RMB'000	Bills endorsed to suppliers that are not derecognised in their entirety RMB'000	Total RMB'000
Carrying amount of transferred assets	122,990	110,468	68,191	301,649
Carrying amount of associated liabilities	(122,990)	(110,468)	(68,191)	(301,649)
Net position	–	–	–	–

17A.2 Transferred financial assets that are derecognised in their entirety but have continuing involvement

As of 30 June 2026, the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB894,157,000 (2025: RMB178,659,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills was minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group to pay off the outstanding balance. Therefore, the Group continued to involve in these financial assets.

18. PLEDGED BANK DEPOSITS/TIME DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged bank deposits represented security deposits for bills payables and bank borrowings, carry fixed interest rates ranging from 0.05%-1.65% (31 December 2025: 0.05%- 3.5%) per annum.

Time deposits carry fixed interest rate of 0.8%-3.7% (31 December 2025:1.5%- 2%) per annum.

Cash and cash equivalents of the Group comprise cash and short-term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates ranging 0.01%-2.45% (31 December 2025: 0.01%- 0.35%) per annum.

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For the six months ended 30 June 2026

19. TRADE, BILLS AND OTHER PAYABLES

Payment terms with suppliers are mainly on credit within 90 days and 15 days from the time when the goods are received from suppliers of Iron Ore Business and High-purity Iron Business, respectively.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables (note a)		
– Within 15 days	20,536	53,762
– 15 days to 90 days	16,870	29,377
– 91 days to 1 year	21,016	21,352
– 1 year to 2 years	1,870	4,595
– 2 years to 3 years	260	502
– Over 3 years	5,621	5,312
	66,173	114,900
Bills payables under note financing arrangement (note b)	686,450	458,300
Other payables - current		
Advance receipt of value-added tax from customers	4,230	5,369
Other tax payable	31,964	24,399
Payable for acquisition of property, plant and equipment	90,950	32,191
Outsourced service payable	10,803	19,423
Transportation fee payable	12,897	30,150
Accrued expense	3,961	3,362
Salary and bonus payables	13,523	18,067
Interest payable	350	381
Refundable deposits	9,544	8,681
Payable for cost arising from the spin-off transaction (note c)	–	6,246
Others	4,818	7,118
	183,040	155,387
Other payable - non-current		
Refundable deposits	2,000	2,000
Total trade, bills and other payables	937,663	730,587

NOTES TO THE CONDENSED CONSOLIDATED
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For the six months ended 30 June 2026

19. TRADE, BILLS AND OTHER PAYABLES *(Continued)*

Notes:

- (a) The aged analysis of trade payables was presented based on the date of acceptance of the goods at the end of the reporting period.
- (b) Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions. The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the six months ended 30 June 2026, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB644,450,000 (2025: RMB1,091,000,000), which also represented the aggregate value-added-tax-inclusive amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in condensed cash flow statement as financing activities.
- (c) On 4 July 2025, in order to build an independent capital platform for the gold business to expedite the development of the Company's Gold Business and enhance shareholders' value, the management announced the proposal to spin-off and separately list the shares of HGL on the main board of the Hong Kong Stock Exchange by way of introduction. In support of the proposed listing, listing expenses of RMB14,075,000 were incurred, of which RMB6,246,000 remained unpaid as at 31 December 2025. On 14 January 2026, the Company announced to terminate the spin-off due to strategy change. The amount of listing expenses is included in administrative expenses. The outstanding payables were fully settled during the current interim period.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 6 months	628,000	458,300
6 months to 1 year	58,450	—
	686,450	458,300

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For the six months ended 30 June 2026

20. BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank loans	813,801	988,816
Other loans (note i)	58,546	122,990
	872,347	1,111,806
Fixed-rate borrowings	661,175	1,111,806
Floating-rate loans	211,172	–
	872,347	1,111,806
Secured and guaranteed	700,172	662,448
Secured and unguaranteed	60,175	337,358
Unsecured and guaranteed	110,000	110,000
Unsecured and unguaranteed	2,000	2,000
	872,347	1,111,806
The carrying amounts of the above borrowings are repayable (note ii):		
Within one year	506,125	989,306
More than one year, but not more than two years	251,897	64,500
More than two years, but not exceeding five years	105,969	58,000
More than five years	8,356	–
	872,347	1,111,806

Notes:

- (i) Other loans in 2026 were arising from equipment sale and leaseback transactions with third-party financial leasing companies. To better manage the Group's capital structure and financing needs, the Group entered into a sale and leaseback arrangement in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the current interim period, the Group has raised RMB60,000,000 (2025: nil) borrowings in respect of the sale and leaseback arrangement. In 2025, other loans were arising from factoring of trade receivables to non-bank financial institutions with full recourse.

- (ii) The amounts are based on scheduled repayment dates set out in the respective loan agreements.

The ranges of effective interest rate of the Group's interest-bearing borrowings are as follows:

	30 June 2026 % (Unaudited)	31 December 2025 % (Audited)
Fixed-rate borrowings	2.60 - 8.60	3.15 - 8.60
Floating-rate borrowings	3.70 - 4.92	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. BORROWINGS *(Continued)*

The Group's floating-rate borrowings carrying interest at prime rate plus spread of 0.35%-1.92%.

The secured and guaranteed bank borrowings were guaranteed by Mr. Yang Jiye and Ms. Yang Min (collectively, the "Controlling Shareholders") and the companies controlled by them. Among the secured and guaranteed bank borrowings, RMB 576,626,000 (31 December 2025: RMB596,948,000) were secured by certain property, plant and equipment, mining rights, right-of-use assets and shares of subsidiaries of the Group, and RMB 65,000,000 (31 December 2025: RMB65,500,000) were secured by certain assets of the companies controlled by the Controlling Shareholders, shares of the Company and shares of subsidiaries of the Group.

The secured and guaranteed other borrowing of RMB 58,546,000 (31 December 2025: nil) were guaranteed by Mr. Yang Jiye and the companies controlled by him and secured by certain property, plant and equipment of the Group.

The secured and unguaranteed bank borrowing of RMB 9,900,000 (31 December 2025: RMB103,900,000) are secured by pledged bank deposits and RMB 50,275,000 (31 December 2025: RMB110,468,000) are secured by receivables at FVTOCI of the Group.

The secured and unguaranteed other borrowing of RMB nil (31 December 2025: RMB122,990,000) are secured by trade receivables.

The unsecured and guaranteed bank borrowings of approximately RMB 110,000,000 (31 December 2025: RMB110,000,000) at 30 June 2026 were guaranteed by subsidiaries of the Group, the Controlling Shareholders and the companies controlled by them.

21. SHARE CAPITAL

The amounts as at 30 June 2026 and 31 December 2025 represented the issued share capital of the Company. Details of movement of share capital of the Company are as follows:

	Number of shares	Share capital HKD'000	RMB equivalent RMB'000
Ordinary shares of HKD0.1 each			
Authorised:			
At 1 January 2025 (audited),			
30 June 2025 (unaudited), 31 December 2025			
(audited), and 30 June 2026(unaudited)	10,000,000,000		
Issued and fully paid:			
At 1 January 2025 (audited),			
and 30 June 2025 (unaudited)	1,960,000,000	196,000	160,203
Issue of shares	75,000,000	7,500	6,852
At 31 December 2025 (audited)	2,035,000,000	203,500	167,055
Issue of shares	409,647,733	40,965	36,150
At 30 June 2026 (unaudited)	2,444,647,733	244,465	203,205

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. SHARE CAPITAL *(Continued)*

On 22 January 2026, the Company and the placing agents entered into a placing agreement, pursuant to which the placing agents have conditionally and severally agreed, as the Company's placing agents, to procure, on a best effort basis, not less than six placees to subscribe for up to 162,040,000 new shares at the placing price of HKD3.80 per Share. The placing of 162,040,000 shares was issued on 29 January 2026.

On 29 January 2026, the Company issued an aggregate of 43,960,000 subscription shares at the subscription price of HKD3.80 per subscription share to four subscribers.

On 2 June 2026, the Company issued 203,647,733 consideration shares to non-controlling interest of HGL to acquire the 9.56% equity interest of HGL. Details of the acquisition are set out in note 7.

On 29 September 2025, in order to finance the Group's proposed injection into HGL, the Company issued 75,000,000 ordinary shares, for consideration of HKD3.13 per share. The ordinary shares were issued to independent investors under the general mandate. The new shares rank pari passu with the existing shares in all respects.

22. RESTRICTED SHARES HELD FOR STRATEGIC INCENTIVE AWARD SCHEME

On 29 August 2019, the board of directors of the Company (the "Board") resolved to adopt a restricted share award scheme (the "Scheme") whereby awards of ordinary shares (the "Award Shares") of the Company may be made to eligible participants (the "Selected Participants").

There is no ordinary shares repurchased during the current interim period.

As at 30 June 2026, no Award Shares have been granted to any Selected Participants pursuant to the Scheme.

22A. SHARE-BASED PAYMENTS

The pre-listing share option scheme of HGL was adopted on 4 July 2025. The scheme is designed to grant options to selected participants as incentives or rewards for their contribution to the Group.

On 14 January 2026, the company made an announcement to revise vesting conditions of all share options to adapt to the new mine development plan. The amendment removed the original IPO/Listing milestone (T1) and reallocated the associated 15% vesting tranche across existing performance milestones T2, T3 and T6. The expected timing of several performance milestones was also revised to reflect the latest project development timetable.

The original share option awards granted in October 2025 continue to exist. No new options were granted, no existing options were cancelled, settled, replaced or exchanged, and all other terms of the awards, including the exercise price, expiry date and total number of options, remain unchanged. Accordingly, the amendment represents a change to the vesting conditions of the existing equity instruments rather than the cancellation, settlement or replacement of those instruments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22A. SHARE-BASED PAYMENTS *(Continued)*

Under the revised vesting schedule:

Milestone	Revised Vesting %	Expected Vest Date
T1 – IPO/Listing	0%	—
T2 – Mt Bundy Construction	20%	30/09/2026
T3 – Mt Bundy Gold Pour	20%	31/03/2028
T4 – Cygnet Construction	15%	30/06/2028
T5 – Cygnet Gold Pour	15%	31/12/2029
T6 – Mt Bundy 130koz annual Production	20%	30/06/2029
T7 – Cygnet Output 90koz annual Production	10%	31/12/2031

Management assessed the amendment in accordance with IFRS 2 Share-based Payment and concluded that the amendment represented a modification of vesting conditions rather than a cancellation of awards. The modification has removed a non-market condition, which is beneficial to the grantees. Accordingly, previously recognised share-based payment expense was retained and future expense recognition has been adjusted to reflect the revised vesting schedule.

Share-based payment expense recognised during the period has been determined based on the amended vesting conditions and management's assessment of the probability of achieving the relevant performance milestones.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The board of directors of the Company has appointed the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset that are not based on observable market data (significant unobservable inputs).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30/06/2026	31/12/2025			
Listed equity investments classified as financial assets at FVTPL	Listed equity securities in Australia: RMB183,000	Listed equity securities in Australia: RMB252,000	Level 1	Quoted bid prices in an active market.	N/A
Receivables at FVTOCI	Receivables at FVTOCI in the PRC: RMB 250,938,000	Receivables at FVTOCI in the PRC: RMB 279,127,000	Level 2	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the cash flows to be derived from the receivables using the discount rate that reflected the credit risk of the corresponding banks which are observable.	N/A

There was no transfer between Level 1 and 2 during the current interim period.

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

24. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	427,069	236,608

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25. RELATED PARTY DISCLOSURES**(a) Related party transactions**

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
<i>Interest expense on lease liabilities:</i>		
Shenyang Shengtai Property Management Co., Ltd.* (瀋陽盛泰物業管理有限公司) ("Shenyang Shengtai") (note ii)	111	26
<i>Property fee:</i>		
Shenyang Shengtai	533	476
<i>Service income:</i>		
Fushun Majuncheng Iron Co., Ltd.* (撫順市馬郡城鐵礦有限責任公司) ("Fushun Majuncheng") (note ii)	332	1,436
<i>Rental income:</i>		
Beijing Heyan Yue'se Medical Beauty Clinic Co., Ltd.* (北京和顏悅色醫療美容診所有限公司) ("Beijing Heyan") (note iii)	636	600
<i>Share-based payment expense:</i>		
Dr. Qiu	10,007	260
Ms. Zhang Jing	2,002	—
Mr. Tang Wenbin	4,004	—
	16,013	260

* English name is for identification purpose only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

25. RELATED PARTY DISCLOSURES *(Continued)*

(b) Trade receivables

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Beijing Heyan	725	—
Fushun Majuncheng	136	3,814
	861	3,814

(c) Other receivables

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Fushun Majuncheng	150	150

(d) Lease liabilities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Shenyang Shengtai	4,025	6,321

(e) Amount due to a related party

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Liaoning Huaren Shengze Enterprise Management Group Co., Ltd.* (遼寧華仁盛澤企業管理集團有限公司) ("Huaren Shengze") (note i)	31,941	8,614

* English name is for identification purpose only.

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25. RELATED PARTY DISCLOSURES *(Continued)***(f) Compensation of key management personnel**

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	6,066	5,722
Bonus	3,575	3,249
Equity settled share-based expense	16,013	260
Retirement benefits schemes contribution	577	549
	26,231	9,780

Notes:

- (i) Huaren Shengze is controlled by Mr. Yang Jiye, one of the Controlling Shareholders of the Company. The amount due to Huaren Shengze is unsecured, interest-free and payable on demand.
- (ii) Shenyang Shengtai and Fushun Majuncheng are controlled by Ms. Yang Min, one of the Controlling Shareholders of the Company. The Group provides a service of iron ore processing to Fushun Majuncheng.
- (iii) Beijing Heyan is subject to significant influence by Mr. Yang Jiye, one of the Controlling Shareholders of the Company.

26. EVENT AFTER THE END OF THE REPORTING PERIOD

On 24 July 2026, the Group completed supplier selection for the processing plant ball mill and paid an initial deposit to secure the equipment. The ball mill represents a key long-lead item for the processing plant and is expected to support the targeted commencement of gold production in the first quarter of 2028.

On 10 August 2026, Primary Gold Pty Ltd, a wholly-owned subsidiary of the Company, has awarded two contracts for the construction of the 5.5 Mtpa processing plant of the Mt Bundy gold project to the two principal delivery contractors, for the engineering, procurement and construction (the "EPC") of the Mt Bundy dry plant and the engineering, procurement and construction management (the "EPCM") of the Mt Bundy wet plant, respectively. The aggregate contract value under the EPC contract and the EPCM contract is approximately AUD120.98 million.

The EPC contract and the EPCM contract provide the engineering, procurement, construction and construction management services required for the processing plant and represent a major step towards the Group's target of achieving first gold pour in the first quarter of 2028.

DEFINITIONS OF TERMS

"Aoni Mining"	Fushun Hanking Aoni Mining Co., Ltd. (撫順罕王傲牛礦業股份有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"Articles of Association"	the articles of association approved by the Company at the general meeting held on 24 May 2023, with effect from the same day and as amended from time to time
"AUD"	the lawful currency of Australia
"Audit Committee"	the audit committee of the Board
"Australia"	The Commonwealth of Australia
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China. For the purpose of this report, references to the PRC or China do not include Hong Kong, Macau Special Administrative Region and Taiwan
"Company" or "our Company" or "we"	Hanking Gold International Limited (罕王黃金國際有限公司) (formerly known as China Hanking Holdings Limited (中國罕王控股有限公司))
"Controlling Shareholder(s)"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to Ms. Yang Min, Mr. Yang Jiye, China Hanking (BVI) Limited, Bisney Success Limited and Tuochuan Capital Limited
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Directors"	the directors of the Company
"EBITDA"	the abbreviation of Earnings Before Interest, Taxes, Depreciation and Amortization, refers to earnings before interest, taxes, depreciation and amortization, long-term assets and goodwill impairment losses
"Group" or "Hanking" or "Hanking Gold"	Hanking Gold International Limited (formerly known as China Hanking Holdings Limited (中國罕王控股有限公司)) and its subsidiaries
"Hanking Australia"	Hanking Australia Investment Pty Ltd, a limited liability company established in Australia and a wholly-owned subsidiary of the Company
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS OF TERMS

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"JORC Code"	the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
"Maogong Mine"	located at Shiwen Town, Fushun City, an iron mine operated through Maogong branch of Aoniu Mining
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
"Share(s)"	ordinary share(s) with a nominal value of HKD0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"US\$" or "USD"	United States dollars, the lawful currency of the United States of America