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Wanguo Gold Group Limited
萬國黃金集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3939)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHT:

	Year ended 31 December		Increase
	2024	2023	
	RMB'000	RMB'000	
Revenue	1,875,561	1,315,217	42.6%
Cost of sales	(878,568)	(695,980)	26.2%
Gross profit	996,993	619,237	61.0%
Gross profit margin	53.2%	47.1%	6.1p.pt
Profit before tax	805,753	421,649	91.1%
Profit attributable to owners of the Company	575,375	335,387	71.6%

- Revenue increased by 42.6% to approximately RMB1,875.6 million.
- Gross profit increased by 61.0% to approximately RMB997.0 million.
- Gross profit margin increased by 6.1 percentage points to 53.2%.
- Profit attributable to owners of the Company increased by 71.6% to approximately RMB575.4 million.
- Basic earnings per share was RMB65.7 cents (2023: RMB40.5 cents).
- The Board recommended the payment of a final dividend of RMB14.5 cents (equivalent to approximately HK\$15.7 cents) per share (2023: RMB18.5 cents per share) and a special dividend of RMB7.5 cents (equivalent to approximately HK\$8.1 cents) per share (2023: RMB Nil cents per share).

The board (the “**Board**”) of directors (the “**Directors**”) of Wanguo Gold Group Limited (the “**Company**”) is pleased to announce the following audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	1,875,561	1,315,217
Cost of sales		(878,568)	(695,980)
Gross profit		996,993	619,237
Other income	5	6,665	6,577
Other gains and losses	6	2,828	(9,885)
Distribution and selling expenses		(54,706)	(78,281)
Administrative expenses		(133,772)	(103,354)
Finance costs	7	(12,255)	(12,645)
Profit before tax		805,753	421,649
Income tax expense	8	(114,573)	(30,710)
Profit for the year	9	691,180	390,939
Other comprehensive (expense) income for the year			
– Exchange differences on translation from functional currency to presentation currency		(4,146)	2,728
Total comprehensive income for the year		687,034	393,667
Profit for the year attributable to:			
Owners of the Company		575,375	335,387
Non-controlling interests		115,805	55,552
		691,180	390,939
Total comprehensive income attributable to:			
Owners of the Company		570,534	339,950
Non-controlling interests		116,500	53,717
		687,034	393,667
Earnings per share			
Basic (RMB cents)	10	65.7	40.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		918,680	810,637
Right-of-use assets		54,621	56,195
Mining rights	12	212,974	251,338
Exploration and evaluation assets	13	237,657	224,748
Other intangible asset	14	312,165	312,165
Intangible assets		3,298	3,510
Deposit for purchase of property, plant and equipment		4,973	7,123
Deferred tax assets		5,747	3,984
Restricted bank balances		6,274	8,344
Other receivable	15	20,830	—
		<u>1,777,219</u>	<u>1,678,044</u>
Current assets			
Inventories		174,743	200,042
Trade and other receivables	15	331,095	287,411
Financial assets at fair value through profit or loss (“FVTPL”)		1,335,157	—
Amount due from a related company	16	3	3
Amount due from a non-controlling shareholder	16	—	24,242
Bank balances and cash			
– cash and cash equivalents		513,728	171,612
– restricted bank balances		3,258	249
		<u>2,357,984</u>	<u>683,559</u>
Current liabilities			
Trade and other payables	17	156,082	159,592
Contract liabilities		3,853	40,232
Lease liabilities		761	808
Amounts due to related parties	18	655	5,304
Consideration payable to a former non-controlling shareholder of a subsidiary		57,936	57,936
Tax payable		91,164	28,289
Bank borrowings	19	183,062	201,937
		<u>493,513</u>	<u>494,098</u>
Net current assets		<u>1,864,471</u>	<u>189,461</u>
Total assets less current liabilities		<u><u>3,641,690</u></u>	<u><u>1,867,505</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*At 31 December 2024*

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Bank borrowings	19	77,600	–
Lease liabilities		2,283	2,303
Deferred income		4,010	5,170
Deferred tax liabilities		89,391	90,506
Provisions for restoration costs		15,085	9,060
		188,369	107,039
Capital and reserves			
Share capital	20	91,223	67,881
Reserves		3,043,355	1,337,734
Equity attributable to owners of the Company		3,134,578	1,405,615
Non-controlling interests		318,743	354,851
Total equity		3,453,321	1,760,466
		3,641,690	1,867,505

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Wanguo Gold Group Limited (formerly known as Wanguo International Mining Group Limited) (the “**Company**” and together with its subsidiaries, the “**Group**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activity of the Company is investment holding. The principal subsidiaries of the Company are (i) Jiangxi Province Yifeng Wanguo Mining Company Ltd (“**Yifeng Wanguo**”), located in Jiangxi Province, the PRC, which is engaged in mining and processing of ores and sales of processed concentrates in the PRC, and (ii) Gold Ridge Mining Limited (“**GRML**”), located in the Solomon Islands, which is engaged in exploration, mining and processing of mineral resources, and sales of processed gold concentrates and gold doré in the Solomon Islands.

As at 31 December 2024, Victor Soar Investments Limited, a company incorporated in the British Virgin Islands, wholly owned and controlled by Mr. Gao Mingqing who is the chairman and executive director of the Company, held approximately 25.96% of the issued shares of the Company, being the single largest shareholder of the Company.

Following the special resolution in relation to the proposed change of the company’s name by the shareholders at the Extraordinary General Meeting (“**EGM**”) convened on 6 August 2024, the proposed change of company name has taken effect. The English name of the Company has been changed from “Wanguo International Mining Group Limited” to “Wanguo Gold Group Limited”, and the Chinese name of “萬國黃金集團有限公司” has also been adopted.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is different from the Company’s functional currency of Hong Kong dollars (“**HK\$**”). The consolidated financial statements are presented in RMB, as the operation of one of the Group’s principal subsidiaries is principally conducted in the PRC.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

New and amendments to HKFRSs in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

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

⁴ Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

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

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange ("**Listing Rules**") and disclosure requirements of the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

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

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

4. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (“**CODM**”), being the executive directors of the Company, in order to allocate resources to segments and to assess their performance.

In 2023, as a result of the commencement of commercial operations of the gold mine in the Solomon Islands, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable and operating segments, such that the Group has identified two reportable and operating segments: (i) processing and sale of metal concentrates in Yifeng Wanguo (the “**Yifeng Project**” Segment) and (ii) processing and sale of processed gold concentrates and gold doré in the Solomon Islands (the “**Solomon Project**” Segment). The CODM considers the Group has two operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group mainly operates in, and all revenue is generated from, the PRC and the Solomon Islands. The Group’s principal non-current assets are located in the PRC and the Solomon Islands.

(i) Revenue from contract with customers within the scope of HKFRS 15

Revenue represents revenue arising from sales of processed concentrates of various metals, sales of gold doré and trading of metal concentrates. All revenue of the Group is recognised on a point in time basis, when the customers obtain control of the goods. An analysis of the Group’s revenue from its major products for the reporting period is as follows:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Disaggregation of revenue from contracts with customers		
<i>By types of major products</i>		
– Gold doré	667,707	385,799
– Gold concentrates	520,221	272,517
– Copper concentrates	284,386	268,416
– Zinc concentrates	110,855	105,715
– Sulfur concentrates	68,190	38,998
– Iron concentrates	48,823	58,111
– Gold in lead concentrates	52,978	68,509
– Gold in copper concentrates	32,961	31,959
– Silver in copper concentrates	23,478	23,718
– Silver in lead concentrates	24,209	29,731
– Sulfur and iron concentrates	24,042	13,509
– Lead in lead concentrates	11,089	13,506
– Copper in lead concentrates	5,183	3,658
– Gold in zinc concentrates	1,426	602
– Silver in zinc concentrates	13	58
– Zinc in lead concentrates	–	411
	1,875,561	1,315,217
<i>By revenue source</i>		
– Own-mined products	1,827,430	1,230,872
– Sourced outside		
– Copper concentrates	37,587	69,774
– Gold in copper concentrates	8,021	9,938
– Silver in copper concentrates	2,523	4,633
	48,131	84,345
	1,875,561	1,315,217

Performance obligations for contracts with customers and revenue recognition policies

Revenue from sales of processed concentrates of various metals and own-mined gold doré

The Group's sales of processed concentrates of various metals and gold doré sourced from the Group's own mines is recognised as revenue when control of the goods has been transferred. For sales of processed concentrates of various metals, revenue is recognised when the goods have been shipped to the customers' specific locations (delivery) or when they are collected by customers at the Group's ore processing plant at their choices. For sales of gold doré, revenue is recognised when the Group and its customer agree on the quantity based on the assay result and confirm the sale price with reference to spot gold price for the purchased goods, being when the control of the goods are passed to its customer. The payment terms and credit terms (if any) are set out in note 15. A contract liability is recognised for sales receipts in advance which revenue has yet been recognised. In each transaction, a sample of the ore concentrates is inspected by the Group prior to delivery or collection to determine the mineral content to be adopted as the basis of calculation of transaction price. The directors of the Company consider that in general the mineral content and grades of the Group's concentrates products meet the customers' requirements after the goods have passed the inspections.

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Historical experience is used to estimate such returns at the time of sale. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return has been recognised. The validity of this assumption and estimate is reassessed at each reporting date.

Revenue from trading of metal concentrates sourced outside

Revenue from trading of metal concentrates sourced outside is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (i.e. upon delivery). Following the delivery, the customer has full discretion over the manner of distribution and the price to sell the goods, therefore, has the primary responsibility for the goods and bears the risks of obsolescence and loss in relation to the goods.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for own-mined gold doré, processed concentrates and trading of metal concentrates sourced outside, with an original expected duration of one year or less. Accordingly, the information about revenue to which the Group will be entitled upon satisfying the remaining performance obligations at the reporting date under those contracts is not disclosed.

(ii) Segment information

(a) Segment revenue and results

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

	Yifeng Project RMB'000	Solomon Project RMB'000	Total RMB'000
For the year ended 31 December 2024			
Segment revenue	<u>687,633</u>	<u>1,187,928</u>	<u>1,875,561</u>
Segment profit	<u>257,518</u>	<u>556,073</u>	<u>813,591</u>
Unallocated administrative expense			(17,323)
Unallocated other income, other gains and losses			9,899
Unallocated finance cost			<u>(414)</u>
Profit before tax			<u><u>805,753</u></u>
For the year ended 31 December 2023			
Segment revenue	<u>656,901</u>	<u>658,316</u>	<u>1,315,217</u>
Segment profit	<u>221,624</u>	<u>210,841</u>	<u>432,465</u>
Unallocated administrative expense			(10,491)
Unallocated other income, other gains and losses			139
Unallocated finance cost			<u>(464)</u>
Profit before tax			<u><u>421,649</u></u>

Note: There was no inter-segment revenue for the years ended 31 December 2024 and 2023.

Segment profit represents the profit earned by each segment without allocation of certain administrative expenses, unallocated other income, other gains and losses, certain finance costs. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

All the segment revenue reported above is from external customers

(b) Segment assets and liabilities

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

Segment assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Yifeng Project	561,781	723,999
Solomon Project	1,192,108	916,495
Total segment assets	1,753,889	1,640,494
Assets not allocated to segments:		
Property, plant and equipment	10,217	6,221
Right of use assets	2,772	2,963
Other intangible assets	312,165	312,165
Exploration and evaluation assets	196,583	194,308
Other receivables, deposit and prepayments	1,160	25,247
Financial assets at FVTPL	1,335,157	–
Restricted bank balances	9,532	8,593
Cash and cash equivalents	513,728	171,612
Consolidated total assets	4,135,203	2,361,603

Segment liabilities

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Yifeng Project	412,247	392,441
Solomon Project	163,724	99,308
Total segment liabilities	575,971	491,749
Liabilities not allocated to segments:		
Accrued expenses and other payables	7,049	8,480
Amount due to related parties	655	5,304
Lease liabilities	3,044	3,111
Bank borrowings	1,512	1,987
Deferred tax liabilities	89,391	90,506
Dividend payable	4,260	–
Consolidated total liabilities	681,882	601,137

These are the measures reported to the CODM for the purpose of resources allocation and assessment of segment performance.

Segment assets represent certain property, plant and equipment, certain right-of-use assets, intangible assets, deposits for purchase of property, plant and equipment, inventories, trade receivables, amount due from a related company, mining rights, certain exploration and evaluation assets, certain other receivables and deferred tax assets which are directly attributable to the relevant operating and reportable segments.

Segment liabilities represent trade and other payables, contract liabilities, deferred income, provisions for restoration costs, tax payable, certain bank borrowings and consideration payable to a former non-controlling shareholder of a subsidiary which are directly attributable to the relevant operating and reportable segments.

(c) Other segment information

	Yifeng Project RMB'000	Solomon Project RMB'000	Segment total RMB'000	Unallocated RMB'000	Total RMB'000
2024					
Amounts included in the measurement of segment profit and segment assets:					
Additions to property, plant and equipment, right- of-use assets, intangible assets and exploration and evaluation assets	10,421	173,520	183,941	8,173	192,114
Depreciation and amortisation of property, plant and equipment, mining rights, intangible assets and right-of-use assets	47,218	48,659	95,877	1,633	97,510
Finance cost	11,841	–	11,841	414	12,255
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Taxation	43,255	60,568	103,823	10,750	114,573
2023					
Amounts included in the measurement of segment profit and segment assets:					
Additions to property, plant and equipment, right- of-use assets, intangible assets and exploration and evaluation assets	13,115	160,918	174,033	6,799	180,832
Depreciation and amortisation of property, plant and equipment, mining rights, intangible assets and right-of-use assets	46,600	49,069	95,669	1,341	97,010
Finance cost	10,264	1,917	12,181	464	12,645
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:					
Taxation	22,710	–	22,710	8,000	30,710

(d) Geographical information

The Group's operations are located on the PRC and the Solomon Islands. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets*	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
The PRC	687,633	656,901	963,868	995,088
The Solomon Islands	1,187,928	658,316	767,510	661,473
Australia	–	–	5,986	2,509
Hong Kong	–	–	7,004	6,646
	<u>1,875,561</u>	<u>1,315,217</u>	<u>1,744,368</u>	<u>1,665,716</u>

* Non-current assets excluded deferred tax assets, other receivable and restricted bank balance.

(e) Information about major customers

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

	2024 RMB'000	2023 RMB'000
Customer A ¹	667,707	385,799
Customer B ²	520,221	272,517
Customer C ³	228,191	N/A ⁴
Customer D ⁵	<u>N/A⁴</u>	<u>154,124</u>

¹ Revenue for sales of gold doré

² Revenue for sales of gold concentrates

³ Revenue for sales of copper concentrates, gold and silver in copper concentrates

⁴ The corresponding revenue did not contribute 10% or more of the total revenue of the Group in the respective year

⁵ Revenue from sales of copper concentrates, gold and silver in copper concentrates and sulfur concentrates

5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income:		
– Bank deposit	3,040	3,792
– Financial assets at FVTPL	2,046	–
Government grants:		
– Related to assets (<i>note</i>)	1,160	1,161
– Others	243	1,438
Others	176	186
	<u>6,665</u>	<u>6,577</u>

Note:

Amount represents the government grants granted by the local authority in the PRC to Yifeng Wanguo for mining technology improvement and is released to profit or loss over the expected useful lives of the relevant assets resulting from the mining technology improvement.

6. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Gain from changes in fair value of financial assets at FVTPL	4,184	–
Net foreign exchange gain (loss)	605	(8,890)
Loss on disposal of property, plant and equipment	(1,961)	(823)
Other losses	–	(172)
	<u>2,828</u>	<u>(9,885)</u>

7. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interests on bank borrowings	11,897	10,333
Interests on contract liabilities	–	1,917
Interests on lease liabilities	358	393
Interests on bank overdraft	–	2
	<u>12,255</u>	<u>12,645</u>

8. INCOME TAX EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax:		
PRC Enterprise Income Tax (“EIT”)	35,514	29,614
Solomon Islands Enterprise Income Tax (“Solomon Islands EIT”)	62,335	–
Withholding Tax	11,865	4,360
Under(over)provision in prior years: EIT	<u>7,737</u>	<u>(6,850)</u>
	117,451	27,124
Deferred tax	<u>(2,878)</u>	<u>3,586</u>
	<u>114,573</u>	<u>30,710</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits subject to Hong Kong Profits Tax during both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of EIT Law, the tax rate of the subsidiaries established in the PRC was 25% for both years, except for one subsidiary Yifeng Wanguo.

Yifeng Wanguo was entitled to a preferential EIT rate of 15% from 2021 to 2023, as it satisfied the conditions of high and new technology enterprises with the Certificate of High and New Technology Enterprises. It renewed the Certificate of High and New Technology Enterprises in 2024 therefore its entitlement to the preferential EIT rate of 15% was extended to 2026.

Starting from 2023, pursuant to the relevant rules and regulations, certain qualified research expenses incurred by the Group during the period and endorsed by a local tax authority in the PRC is eligible for a further deduction for PRC EIT up to 100% of the relevant costs incurred. In addition, the super deduction rate for the amortisation of intangible assets has been increased from 175% to 200% for all qualified enterprises.

From 1 January 2008, pursuant to the EIT Law and its detailed implementation rules, dividend distributed out of the profits generated thereafter shall be subject to EIT at 10% and withheld by the PRC entity. By the Tax Arrangement for Avoidance of Double Taxation between China and Hong Kong, a Hong Kong resident company should be entitled to a preferential tax rate of 5% when receiving dividend from its investee in the PRC if such investor is the beneficial owner of the PRC entity of over 25% interest. Taylor Investment International Limited (“HK Taylor”), which was incorporated in Hong Kong and owns the entire equity interest of the Group’s subsidiaries established in the PRC, enjoys the preferential tax rate aforementioned. Accordingly, deferred taxation has been provided for in the consolidated financial statements in respect of the expected dividend stream from these subsidiaries with the applicable tax rate of 5%.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiary from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to certain retained profits of the PRC subsidiaries amounting to RMB398,846,000 (as at 31 December 2023: RMB650,550,000) as at 31 December 2024, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future. As at 31 December 2024, the withholding tax of RMB11,350,000 (as at December 2023: RMB12,465,000) has been recognised in respect of undistributed profits of subsidiaries in the PRC amounting to RMB227,000,000 (as at December 2023: RMB249,300,000).

Under the Law of the Solomon Islands Government, the tax rate of the subsidiary established in the Solomon Islands and principally engaged in the Solomon Project was 35% for both years.

The applicable tax rate for the Group's subsidiaries operating in Australia is 25% for both years. No provision for Australian profit tax has been made as the Group has sufficient tax losses brought forward to set off against assessable profit for the years ended 31 December 2024 and 2023.

9. PROFIT FOR THE YEAR

	NOTE	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging:			
Directors' emoluments		5,335	5,282
Other staff costs		<u>88,038</u>	<u>80,351</u>
		93,373	85,633
Retirement benefit scheme contributions, excluding those of directors		<u>3,488</u>	<u>3,294</u>
Total staff costs	(i)	<u>96,861</u>	<u>88,927</u>
Depreciation of property, plant and equipment	(ii)	72,715	64,993
Depreciation of right-of-use assets		2,321	2,288
Amortisation of mining rights	(iii)	22,262	29,516
Amortisation of intangible assets		<u>212</u>	<u>213</u>
Total depreciation and amortisation		<u>97,510</u>	<u>97,010</u>
Auditor's remuneration (audit services)		2,294	1,441
Sub-contracting fee (included in cost of inventories)		558,443	235,546
Freight charges (included in distribution and selling expenses)		17,426	24,428
Royalty expenses (included in distribution and selling expenses)	(iv)	17,092	10,696
Research expenses (included in administrative expenses)	(i), (ii)	25,241	24,337
Cost of inventories recognised as an expense	(i), (ii), (iii)	<u>878,568</u>	<u>695,980</u>

- (i) Total staff costs amounting to approximately RMB53,100,000 (2023: RMB43,939,000) are included in cost of inventories; amounting to approximately RMB33,210,000 (2023: RMB34,093,000) are included in administrative expenses (exclude research expenses); amounting to approximately RMB591,000 (2023: RMB650,000) are included in distribution and selling expenses, and approximately RMB9,960,000 (2023: RMB10,245,000) are included in research expenses in administrative expenses.

- (ii) Depreciation of property, plant and equipment amounting to approximately RMB64,989,000 (2023: RMB53,901,000) are included in cost of inventories; amounting to approximately RMB6,849,000 (2023: RMB10,556,000) are included in administrative expenses (exclude research expenses) and amounting to approximately RMB877,000 (2023: RMB536,000) are included in research expenses in administrative expenses.
- (iii) Amortisation of mining rights is included in cost of inventories.
- (iv) Royalty expenses represent the amount payable to the landowners of the Gold Ridge mine and the government of the Solomon Islands in respect of the gold produced by the subsidiary incorporated in the Solomon Islands pursuant to the mining license.

10. EARNINGS PER SHARE

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

	2024	2023
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company		
for the purpose of basic earnings per share (<i>in RMB'000</i>)	<u><u>575,375</u></u>	<u><u>335,387</u></u>
Number of shares:		
Weighted average number of ordinary shares		
for the purpose of basic earnings per share (<i>in thousand</i>)	<u><u>876,308</u></u>	<u><u>828,000</u></u>

No diluted earnings per share are presented as there were no potential ordinary shares in issue during both years.

11. DIVIDEND

During the reporting period, the Company recognised the following dividends as distribution:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
2024 Interim – RMB10.95 cents (2023: 2023 interim dividend RMB Nil cents) per share	90,666	–
2023 Final – RMB18.50 cents (2023: 2022 final dividend RMB10.00 cents) per share	<u>153,180</u>	<u>82,800</u>
	<u><u>243,846</u></u>	<u><u>82,800</u></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB14.50 cents (2023: RMB18.50 cents) per ordinary share and a special dividend of RMB7.50 cents (2023: RMB nil cents) per ordinary share, in an aggregate amount of approximately RMB238,442,000 (2023: RMB153,180,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

Final dividend for the year ended 31 December 2023 was paid on 19 July 2024 (2023: Final dividend for the year ended 31 December 2022 was paid on 29 August 2023).

12. MINING RIGHTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
COST		
At beginning of the year	295,406	287,822
Exchange adjustments	<u>(19,235)</u>	<u>7,584</u>
At end of the year	<u>276,171</u>	<u>295,406</u>
AMORTISATION		
At beginning of the year	44,068	13,544
Exchange adjustments	(3,133)	1,008
Provided for the year	<u>22,262</u>	<u>29,516</u>
At end of the year	<u>63,197</u>	<u>44,068</u>
CARRYING VALUES	<u><u>212,974</u></u>	<u><u>251,338</u></u>

The mining rights represent: (1) the right to conduct mining activities for Yifeng Project at the Xinzhuan mine in Jiangxi Province, the PRC, with a legal life of 26 years ending in 2032, and (2) the right to conduct mining activities for Solomon Project at the Gold Ridge mine on Guadalcanal in the Solomon Islands with a legal life of 15 years ending in 2034. The Gold Ridge mine in relation to the Solomon Project commenced commercial operations in 2022.

The mining rights are amortised using the unit of production method based on the actual production volume over the estimated total production volume after taking into consideration the total probable/proven reserves of the ore mines within the terms of the respective licences. The extension of the mining period and the enlargement of the annual production limit may change the estimated total probable/proven reserves of the ore mines over the terms of the licenced period.

An analysis of the carrying values of the mining rights, by mining projects, is as below:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Yifeng Project	8,336	9,424
Solomon Project	<u>204,638</u>	<u>241,914</u>
	<u><u>212,974</u></u>	<u><u>251,338</u></u>

As at 31 December 2024, the directors of the Company considered that there is no impairment indicator in relation to the assets of the Yifeng Project and the Solomon Project. Therefore no impairment assessments have been performed to calculate the recoverable amount of the assets of the Yifeng Project and the Solomon Project.

13. EXPLORATION AND EVALUATION ASSETS

RMB'000

COST

At 1 January 2023	205,788
Additions	23,338
Exchange adjustments	(61)
	<hr/>
At 31 December 2023	229,065
Additions	15,249
Exchange adjustments	(2,340)
	<hr/>
At 31 December 2024	241,974
	<hr/>

ACCUMULATED IMPAIRMENT LOSS

At 1 January 2023, 31 December 2023 and 2024	(4,317)
	<hr/>

CARRYING VALUES

At 31 December 2024	237,657
	<hr/> <hr/>
At 31 December 2023	224,748
	<hr/> <hr/>

The exploration and evaluation assets represent all costs directly associated with exploration and evaluation and are initially capitalised. As at 31 December 2024 and 2023, the exploration and evaluation assets are related to costs of the activities which occur in the area of 1) Changdu, Tibet Autonomous Region, the PRC, which is the principal place of business of Xizang Changdu; and 2) the Solomon Islands, which is the principal place of business of the Solomon Project.

During the current year, the Group incurred costs directly associated with the exploration and evaluation assets of approximately RMB15,249,000 (2023: RMB23,338,000), which mainly comprise of exploratory drilling costs and costs incurred in evaluation of technical feasibility and commercial viability of mineral extraction.

Please refer to note 14 for impairment assessment.

An analysis of the carrying values of the exploration and evaluation assets, by mining projects, is as below:

	2024 RMB'000	2023 RMB'000
Xizang Changdu	196,583	194,308
Solomon Project	41,074	30,440
	<hr/>	<hr/>
	237,657	224,748
	<hr/> <hr/>	<hr/> <hr/>

14. OTHER INTANGIBLE ASSET

RMB'000

COST

At 1 January 2023, 31 December 2023 and 2024	319,288
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ACCUMULATED IMPAIRMENT LOSS

At 1 January 2023, 31 December 2023 and 2024	(7,123)
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CARRYING VALUES

At 31 December 2023 and 2024	312,165
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In addition to the exploration and evaluation assets set out in note 13 above, the Group has recognised other intangible asset pursuant to the acquisition of Xizang Changdu in the year ended 31 December 2018 which represents, in the opinion of the directors, premium paid for the mining right license to be obtained by Xizang Changdu to conduct mining activities in the lead mine in Walege of the Changdu County, Tibet Autonomous Region, the PRC, owned by Xizang Changdu. The Group is in the process of applying the mining permit for the above mine with the relevant regulatory authorities and the directors of the Company expect the mining permit will be granted to the Group without significant cost in the foreseeable future. The relevant mining permit, when granted to the Group, will allow the Group to mine up to a predetermined level of ore every year from the date of grant through the expiry of the mining license. The aforementioned lead mine has a budgeted production plan of 26 years from 2028 to 2053 (2023: 26 years from 2026 to 2051) and estimated metallic resources and production volume of approximately 30,249,000 tonnes (2023: 30,249,000 tonnes).

The budgeted production plan and the estimated metallic resources of Xizang Changdu had been determined based on the management's expectation for the market development, feasibility study of the above mine which was prepared by a leading construction engineering consultancy firm in the PRC and reviewed and endorsed by the natural resource review panel of the Xizang province, and the expected production capacity of Xizang Changdu.

Impairment test on Xizang Changdu Related Assets

The directors of the Company have performed impairment assessment on Xizang Changdu Related Assets and engaged an independent professional valuer, Win Bailey Valuation and Advisory Limited (2023: Win Bailey Valuation and Advisory Limited) to determine the recoverable amount of Xizang Changdu Related Assets by treating them as a single cash-generating unit ("CGU"). The recoverable amount is determined based on fair value less costs of disposal ("FVLCD") calculation, using income approach, in particular, multi-period excess earnings method was adopted. The FVLCD has been determined taking into account the appropriate discount rate. The pre-tax discount rate in measuring recoverable amount is 25.4% (2023: 26.2%) per annum in relation to the CGU. As a result of the impairment assessment, no impairment loss in respect of Xizang Changdu Related Assets has been recognised in profit or loss during the years ended 31 December 2024 and 2023. Management believed that any reasonably possible change in any of the above assumptions would not result in impairment.

The key assumptions used in recoverable amount calculation include the discount rate and a growth rate of 0.95% (2023: 2%) per annum being applied for estimated selling prices. The discount rate had been determined based on the market comparable. The growth rate reflects the long-term growth rate for the country in which the entity of the CGU operates.

Apart from the considerations described above in determining the recoverable amount of the CGU, the Group's management is not currently aware of any other probable changes that would necessitate changes in these key assumptions.

15. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables from contracts with customers	(a)	<u>164,809</u>	<u>69,370</u>
Prepayments and other receivables			
– Prepayments to major subcontractors	(b)	29,280	112,316
– Prepayments to other suppliers	(c)	38,983	92,638
– Other receivables	(d)	<u>118,853</u>	<u>13,087</u>
		<u>187,116</u>	<u>218,041</u>
Deposit for purchase of property, plant and equipment		<u>4,973</u>	<u>7,123</u>
Total trade and other receivables		356,898	294,534
Less: non-current portion:			
–Deposit for purchase of property		4,973	7,123
–Other receivables		<u>20,830</u>	<u>–</u>
Current portion		<u><u>331,095</u></u>	<u><u>287,411</u></u>

(a) Trade receivables

As at 1 January 2023, trade receivables from contracts with customers amounted to approximately RMB13,151,000.

For long-term customers with good credit quality and payment history, the Group allows credit periods of no longer than 60 days for sales of certain products. For others, the Group generally requests for deposits in advance from customers. The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 30 days	164,809	64,549
31 to 60 days	–	1,021
61 to 90 days	–	2,039
Over 90 days	<u>–</u>	<u>1,761</u>
	<u><u>164,809</u></u>	<u><u>69,370</u></u>

No trade receivables are past due as at the end of the reporting period. The Group does not hold any collateral over these balances.

The ECL for trade receivables as at 31 December 2024 and 2023 have been assessed collectively based on the trade debtors' aging, grouped by debtor balances that are not yet due and different aging brackets of numbers of days past due (if any). Based on the assessment of the management of the Group, allowance for credit losses from the trade receivables as at 31 December 2024 and 2023 is insignificant.

(b) Prepayments to major subcontractors

The prepayments were the subcontracting fee to mining subcontractors by Yifeng Wanguo and GRML for mining of ores, which amounted to approximately RMB29,280,000 (as at 31 December 2023: RMB112,316,000) as at 31 December 2024.

(c) Prepayments to other suppliers

Included in the balance are prepayment to suppliers of metal concentrates for trading which amounted to approximately RMB nil (2023: RMB60,830,000) and prepayment to suppliers of raw materials which amounted to approximately RMB34,955,000 (as at 31 December 2023: RMB30,645,000) as at 31 December 2024.

(d) Other receivables

- (i) The Group entered into a sales and purchase agreement with one supplier for the acquisition of certain raw materials in 2021. In the course of fulfilling the contractual obligations in the agreement, the supplier had committed a partial breach of contract by failing to deliver the complete quantity of goods as stipulated, and further failed to reimburse the full amount corresponding to the non-delivered goods in a timely manner.

On 26 November 2024, the Group and the supplier reached an amicable settlement and executed a conciliation agreement. This agreement stipulates an extension of the repayment timeline, with the final instalment payment due in 2027, and the imposition of an interest rate equivalent to the prevailing Loan Prime Rate in China on the outstanding amount. To secure the repayment obligations, the parties have agreed to a collateral arrangement involving real estate properties, along with the provision of a guarantee by a reputable third party.

As at 31 December 2024, included in the balance is the receivable arising from the aforementioned transaction amounting to RMB24,830,000, which was presented in prepayments to other suppliers with the amount of RMB25,230,000 as at 31 December 2023.

- (ii) Included in the balance is a receivable amounting to AU\$12 million (approximately RMB54,084,000) due on 21 August 2025, which is non-trade in nature, secured by the collateral of the Company's shares held by a non-controlling shareholder of the Company and carries an interest rate at 2.5% per annum. Such amount is due from a former non-controlling shareholder of the Company's subsidiary, who is no longer a related party of the Company as at 31 December 2024. As at 31 December 2023, the receivable from that individual amounted to AU\$5 million (approximately RMB24,242,000) and was presented in the amount due from a non-controlling shareholder.

16. AMOUNTS DUE FROM A RELATED COMPANY/A NON-CONTROLLING SHAREHOLDER

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Amount due from a related company	(a)	3	3
Amount due from a non-controlling shareholder		<u>–</u>	<u>24,242</u>

(a) Amount due from a related company

The balance is due from a company wholly owned and controlled by Mr. Gao Mingqing, the chief executive of the company. The balance is interest free, unsecured and repayable on demand.

17. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<u>92,801</u>	<u>102,809</u>
Value-added tax, resource tax and other tax payables	22,469	13,664
Payables for construction in progress and property, plant and equipment	4,930	18,365
Dividend payable	4,260	–
Accrued expenses and other payables		
– Accrued expenses	9,588	5,028
– Accrued staff cost	6,145	6,332
– Other payables	<u>15,889</u>	<u>13,394</u>
	<u>63,281</u>	<u>56,783</u>
Total trade and other payables	<u>156,082</u>	<u>159,592</u>

The following is analysis of trade payables by aging, presented based on the delivery dates for purchase of goods or the dates when mining services have been rendered by the mining subcontractors.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 30 days	51,223	40,541
31-60 days	26,000	32,662
61-90 days	2,040	12,854
91-180 days	13,280	8,464
Over 180 days	<u>258</u>	<u>8,288</u>
	<u>92,801</u>	<u>102,809</u>

The average credit period on purchase of goods is 30 days upon delivery. No interest is charged on overdue trade payable.

18. AMOUNTS DUE TO RELATED PARTIES

	Note	2024 RMB'000	2023 RMB'000
Victor Soar Investments Limited (“Victor Soar”)	(a), (b)	–	4,648
Mr. Gao Mingqing	(a)	383	391
Achieve Ample Investments Limited (“Achieve Ample”)	(a), (c)	272	265
		<u>655</u>	<u>5,304</u>

Notes:

- (a) All of the amounts above are non-trade in nature, interest free, unsecured and repayable on demand, of which approximately RMB272,000 (2023: RMB4,913,000) is denominated in HK\$.
- (b) Victor Soar held approximately 25.96% (2023: 33.99%) of the issued share capital of the Company as at 31 December 2024 and is wholly owned and controlled by Mr. Gao Mingqing.
- (c) Ms. Gao Jinzhu, an executive director of the Company has an interest of 12.98% (2023: 16.74%) of the issued share capital of the Company as at 31 December 2024 through Achieve Ample which is wholly owned and controlled by her.

19. BANK BORROWINGS

	2024 RMB'000	2023 RMB'000
Unsecured bank borrowings at:		
– fixed rate	149,950	119,950
Secured bank borrowings at:		
– fixed rate	30,000	80,000
– floating rate	80,712	1,987
	<u>260,662</u>	<u>201,937</u>
The carrying amounts of the above bank borrowing are repayable:		
– within one year	181,550	199,950
– within a period of more than one year but not exceeding two years	1,600	–
– within a period of more than two years but not exceeding five years	76,000	–
Carrying amount of bank borrowings that contains a repayment on demand clause (shown under current liabilities)	<u>1,512</u>	<u>1,987</u>
	260,662	201,937
Less: Amount due within one year shown under current liabilities	<u>(183,062)</u>	<u>(201,937)</u>
Amount shown under non-current liabilities	<u>77,600</u>	<u>–</u>

The interest rates of the Group’s floating rate borrowings are based on Hong Kong Interbank Offered Rate and RMB Benchmark Loan Rates issued by the People’s Bank of China. Interest is reset every year.

The bank borrowings were guaranteed by certain directors of the Company, certain related parties and certain equity interests of certain subsidiaries. Secured bank borrowings were secured by equity interests of certain subsidiaries of the Company and certain property, plant and equipment and certain right-of-use assets of the Group.

The effective interest rates on the Group's borrowings are as follows:

	2024 %	2023 %
Effective interest rate for fixed rate borrowings (per annum)	4.00 to 6.10	4.00 to 6.10
Effective interest rate for floating rate borrowings (per annum)	2.73 to 4.50	2.73 to 3.23

20. SHARE CAPITAL

Details of share capital of the Company are as follows:

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2023, 31 December 2023	1,000,000	100,000
Increase on 28 October 2024 (<i>note a</i>)	9,000,000	900,000
At 31 December 2024	10,000,000	1,000,000
Issued:		
At 1 January 2023, 31 December 2023	828,000	82,800
Issue of shares (<i>note b</i>)	165,600	16,560
Issued in consideration for the acquisition of the issued share capital of a subsidiary (<i>note c</i>)	90,227	9,023
At 31 December 2024	1,083,827	108,383
	2024 RMB'000	2023 RMB'000
Shown in the consolidated statement of financial position	91,223	67,881

Notes:

- (a) On 28 October 2024, the Company increased the authorised share capital from HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.1 each to HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.1 each.
- (b) During the year, the Company allotted and issued an aggregate of 165,600,000 new shares of the Company to Gold Mountains (H.K.) International Mining Company Limited for cash.
- (c) During the year, the Company acquired 20.22% share capital of AXF Gold Ridge by the allotment and issue of 90,227,200 new shares of the Company.

MARKET REVIEW

Copper

Copper was trading on the Commodity Exchange (COMEX) at under US\$4 per pound at the beginning of 2024, but by 21 May 2024, the red metal's price had surged to a record high of US\$5.11 per pound.

Price momentum at the start of the year was owed to several factors, including increasing demand from energy transition sectors, bottlenecks at Chinese refiners and near-zero copper treatment charges.

The price was volatile through the second and third quarters, slipping back below US\$4 per pound before soaring above US\$4.50 per pound at the end of the third quarter. Copper started the fourth quarter of the year on a strong note. On 2 October 2024, the metal reached its quarterly high of US\$4.60 per pound before starting a month-long slide to US\$4.31 per pound on 31 October 2024.

Volatility was the story at the start of November 2024. Copper soared to US\$4.45 per pound on 5 November 2024 before dropping to US\$4.22 per pound on 6 November 2024, then spiked to US\$4.41 per pound on 7 November 2024; finally, it crashed to US\$4.05 per pound on 15 November 2024. While copper did see a couple of rallies as the year ended, it only briefly broke through resistance of US\$4.20 per pound from 9 to 11 December 2024 before settling toward the US\$4 per pound mark at the end of the month.

Iron

China's iron-ore imports in 2024 rose to a record high for a second year, as lower prices spurred buying while demand remained resilient largely due to massive steel exports that are inflaming trade tensions.

The world's largest iron-ore consumer brought in a total of about 1.24-billion metric tons last year, with an increase of 4.9% from 1.18-billion tons in 2023, when it posted an annual increase of 6.6%.

Steel output slid by 2.7% from the year before in the first 11 months of 2024 and was on track for an annual decline, but that largely reflected weak output from electric furnace steelmakers, which supply the troubled construction sector and use scrap steel instead of iron ore as a resource.

Demand for iron-ore remained solid among China's blast furnace steelmakers, which have been able to maintain cost competitiveness.

Many electric furnace steelmakers, however, had to conduct maintenance or scale down production amid persistent constraints on scrap supply.

Additionally, traders that bought high-cost iron ore early last year continued purchasing the key steelmaking ingredient to average out their overall production costs and reduce losses.

An increase in iron ore imports contributed to a price slump and a pile-up in portside stocks, which climbed by 28% year-on-year to 146.85-million tons as of 27 December 2024.

China's imported iron-ore prices slid by 31% last year, according to Steelhome data.

In December 2024 alone, China imported 112.49 million tons of iron-ore, up 10.4% from 101.86-million tons in November 2024.

Zinc

Zinc experienced a 13 percent gain, rising from US\$2,621 per metric ton (MT) to US\$2,979 by the end of the year.

Like copper, zinc faced concentrate shortages in 2024. This situation has led to curtailments at Chinese refiners, which have been forced to compete for limited raw material. Large purchases from exchange warehouses have exacerbated the situation, reducing the amount of refined zinc available to the broader market.

An oversupply situation that drove prices down at the end of 2023 forced operators to curtail output, as high costs made production unsustainable. However, these cuts had little effect, and by the end of the first quarter, aboveground supplies at London Metal Exchange (LME) warehouses had surged to over 270,000 MT.

In the second quarter, a price run failed to maintain momentum, as the market lacked the fundamentals to sustain its rise. Higher zinc prices came alongside speculation of a US Federal Reserve interest rate cut and renewed hope that rule changes for the Chinese housing markets would boost zinc's fortunes.

Zinc remained rangebound above US\$3,000 for much of the fourth quarter. It fell below that mark on 8 November 2024, but by 25 November 2024, it was once again trading above that level. Zinc ended the year at US\$2,978.50 on 31 December 2024.

Lead

Lead prices rode a wave of volatility in 2024 as global economic uncertainty continued to wreak havoc on metals markets.

As an industrial metal, lead has largely been used in lead-acid batteries, and to a lesser extent in pigments, weights, cable sheathing and ammunition. More recently, the electric vehicle (EV) market has opened up a sector for growth as EV manufacturers need lead-acid batteries to power electrical systems, including lights, windows, navigation, air-conditioning and airbag sensors.

Lead is typically mined as a by-product of zinc, silver and to a lesser extent, copper. Disruptions to the mining and demand profiles for these metals can have a sizable impact on lead sector fundamentals.

Although they started off the year above the US\$2,025 per metric ton level, lead prices quickly shot up nearly 8 percent in the first four weeks of 2024 on reduced primary and secondary supplies. While prices had shed those gains and then came down to US\$1,963 by the end of March 2024, they then rose to a high for the year of US\$2,343 on 28 May 2024.

By 5 August 2024, lead prices had once again crashed, this time by more than 17 percent to their lowest point of the year at US\$1,930.

For much of the rest of the year, volatility continued to plague the lead market with price ups and downs swinging within the US\$1,950 to US\$2,150 range. Ironically, despite the wide price swings, as of 18 December 2024, lead prices are only down by 2.41 percent since the start of the year.

Gold and Silver

2024 was a record-setting year for gold. Gold saw incredible price gains in 2024, rising from US\$2,000 per ounce to close to US\$2,800.

Various factors have lent support, including 75 basis points worth of interest rate cuts from the US Federal Reserve, geopolitical instability in Eastern Europe and the Middle East and uncertainty in global financial markets.

Gold set its first record price of the year at US\$2,251.37 on 31 March 2024. Central bank buying, notably China's purchase of 22 metric tons of gold in the first two months of the year, supported the price. Turkey, Kazakhstan and India also significantly increased their holdings at the start of the year.

The gold price saw increasing momentum in the second quarter, setting a new all-time high of US\$2,450.05 on 20 May 2024. Gains through the quarter were influenced by strong central bank demand. Investor sentiment toward the yellow metal also shifted, with outflows from western exchange-traded funds starting to slow down.

Gold set another record price during the third quarter, reaching US\$2,672.51 on 26 September 2024. The high came just a week after the conclusion of the Federal Reserve Board's (the "**Fed**") September meeting, when it announced a jumbo 50 basis point cut to the federal funds rate. While the People's Bank of China ("**PBoC**") maintained its pause on gold purchases in the third quarter, it granted several regional banks new import quotas in August 2024.

The gold price began the fourth quarter at US\$2,660.30, but quickly saw a retraction to US\$2,608.40 on 9 October 2024. However, the decline didn't last, and the gold price rose again, setting a new record high of US\$2,785.40 on 30 October 2024. The surge was fueled by a weaker-than-expected September US consumer price index report, which showed an annual inflation of 2.4 percent and monthly inflation of 0.2 percent. These numbers were higher than analysts' forecasts of 2.3 and 0.1 percent, raising expectations that the Fed would cut rates at its November meeting.

The end of the month saw a leap in gold price to US\$2,715.80 on 22 November 2024. Following this peak, gold entered December below the US\$2,700 mark, closing at US\$2,660.50 on 9 December 2024.

Silver saw ups and downs in 2024, but as the year draws to a close the metal is set to end substantially higher than where it began.

The silver price put on a strong performance in 2024, hitting highs not seen in over a decade.

Despite some volatility, factors like increasing industrial demand, safe-haven buying from investors and weakening mining supply all came together during the year to support gains in the price.

All told, silver is up nearly 35 percent since the start of 2024, outperforming gold's 32 percent gain.

BUSINESS REVIEW

Our Group is principally engaged in the business of mining, ore processing and sale of concentrates products in the PRC and the Solomon Islands. Currently, we, through our wholly-owned subsidiaries, own the entire equity interest in Yifeng Wanguo which in turn owns the Xinzhuang Copper, Lead, Zinc Mine, an operating mine located in Jiangxi Province, the PRC ("**Xinzhuang Mine**") in which we conduct underground mining. The Xinzhuang Mine has a substantial volume of non-ferrous polymetallic mineral resources. Products of Xinzhuang Mine primarily include copper concentrates, iron concentrates, zinc concentrates, sulfur concentrates, lead concentrates as well as by-products of gold and silver.

The Group has, on 13 July 2017, completed the acquisition of 51% attributable interest of Xizang Changdu County Dadi Mining Company Limited ("**Xizang Changdu**"), which owns the lead mine in Walege of Changdu County, the PRC ("**Walege Mine**") in which we may further exploit for open-pit and underground mining. The Walege Mine has a significant volume of mineral resources of lead and silver.

On 30 April 2020, the Group completed acquisition of 77.78% interest of AXF Gold Ridge Pty Limited, which owns 90% interest of a gold ridge mine located in the Solomon Islands ("**Gold Ridge Mine**") in which we exploit for mining. The Group has commenced the trial production since November 2022. In addition, on 9 October 2024, the Group completed acquisition of another 20.22% interest of AXF Gold Ridge Pty Limited, resulted in the Group owning 98% interest of AXF Gold Ridge Pty Limited and 88.2% effective interest in Gold Ridge Mine.

EXPANSION IN EXISTING MINES

Xinzhuang Mine

We had completed our expansion plan as disclosed in the prospectus of the Company dated 28 June 2012 (the “**Prospectus**”) in Xinzhuang Mine, reaching 600,000 tpa in both mining capacity and processing capacity. We have already further upgraded to 900,000 tpa and obtained a 900,000 tpa safety production certificate (安全生產許可證) in 2023.

Walege Mine

During 2024, the Group completed the extension of exploration license to April 2029, organised the third-party environmental monitoring unit for sample collections in respect of the groundwater, air and soil in the preparation of the mine environmental impact report. On 31 August 2024, the Tibet Autonomous Region Water Resources Department (西藏自治區水利廳) issued “Administration Decision for water application in Xizang Changdu Walege Lead-ore mining project of Xizang Changdu Dadi Mining Co., Ltd” Tibet water permit [2024] No. 70. (《西藏自治區水利廳關於西藏昌都縣爛地礦業有限公司西藏昌都哇了格礦區鉛礦採選項目取水申請的行政許可決定》藏水許可[2024]70號).

Gold Ridge Mine

As at the date of this announcement, the Group, through our wholly-owned subsidiaries, owns 88.2% of equity interest in the Gold Ridge Mine which has a substantial volume of gold mineral resources and commenced trial production in 2023.

Flotation production has reached around 90% of its designed capacity and completed the trial production phase. Plant modification and upgrade continued, including second stage of crushing to reduce the size of ore before entering the mill, and new desliming process to reduce the ore sludge into the flotation. Installation of additional grinding and Knelson gravity circuits have been completed and in operation during the year. Construction of the first and second phase of tailings dry stack facility is completed and in use and commenced the third phase construction.

EXPANSION IN SURROUNDING AREAS

According to the Independent Technical Expert’s Report in the Prospectus, there are significant additional defined mineral resources outside the planned mining area in the Xinzhuang Mine within the boundary covered by the current mining licence held by the Group. On 20 November 2012, Yifeng Wanguo entered into an exploration agreement with the Bureau of Geology and Mineral Exploration of Jiangxi Province (the “**Jiangxi Geology Bureau**”). By the end of 2013, Jiangxi Geology Bureau has completed the field exploration work. A Mineral Resources Verification Report (資源儲量核實報告) has been finished and approved by Jiangxi Province Land Resources Bureau in April 2014 and obtained registration in December 2014.

The exploration in the Xinzhuang Mine has increased the geological reserves of the Group and further proved the hydrogeology conditions in the mining area. Yifeng Wanguo has also appointed Changsha Mine Research Institute to carry out mining experiments on the possibility to remove the waterproof pillars in the mining area. The Group received the report by the end of June 2017. The report showed that a portion of the waterproof pillars can be removed, which will result in an increase of mineral resources of the Xinzhuang Mine by 2.6 million tonnes.

On 27 December 2024, the Group updated the mineral resources and reserves of Gold Ridge Mine. The total mineral resources increased significantly from 72 million tonnes with 3.3 million ounce contained gold as at 31 December 2023 to 196 million tonnes with 7.3 million ounce contained gold as at 31 July 2024, representing an increase of 172.2% and 121.2% respectively.

The reserves increased from 28.7 tonnes with 1.2 million ounce contained gold as at 31 December 2023 to 30.7 tonnes with 1.3 million ounce contained gold as at 31 July 2024, representing an increase of 7.0% and 8.3%. This is attributable to unchanged pit design and production plan at the moment, the current reserve only reflects additional drilling since 2018 and change of cut-off gold grade. The pit design and production plan has not yet been updated so as to capture increased level of resources.

CHANGE OF COMPANY NAME

Following the passing of the special resolution in relation to the proposed change of the Company name by the shareholders at the EGM held on 6 August 2024, the English name of the Company has been changed from “Wanguo International Mining Group Limited” to “Wanguo Gold Group Limited”, and the Chinese name of the Company has been changed from “萬國國際礦業集團有限公司” to “萬國黃金集團有限公司”.

Reason for change of Company Name

On 30 April 2020, the Group completed the acquisition of 77.78% interest of AXF Gold Ridge Pty Limited, which owns 90% interest of the Gold Ridge Mine. The Group developed the gold mine (Gold Ridge Mine) which has been in trial production since November 2022. Gold Ridge Mine produces gold doré and gold concentrate. Flotation concentrate production has been steadily ramping up during this trial production phase. Plant modification and upgrade continued to increase processing capacity and improve metallurgical recovery.

For the year ended 31 December 2023 and the six months ended 30 June 2024, sale of gold doré and gold concentrate have already accounted for more than 50% of the Group’s revenue and gross profit. As the exploration programs continue to progress and production process continue to improve at the Gold Ridge Mine, the Group expects gold mining and processing will become the major revenue and profit contributor of the Group in the near future.

In light of the above, the Board considers the new Company name better reflects the strategy and future development of the Group. The Board believes that the proposed new name of the Company is more consistent with the Group’s future business development, and can provide the Group with an appropriate corporate identity and image.

Please refer to the announcements of the Company dated 20 June 2024, 8 August 2024 and 17 September 2024 and the circular of the Company dated 12 July 2024 for details.

ACQUISITION OF 20.22% IN AXF GOLD RIDGE LIMITED

On 9 August 2024, the Company entered into a sale and purchase agreement with Golden Crane Holdings Limited and Prominence Investment Holding Company Limited (collectively referred as “**Vendors**”), pursuant to which, the Company conditionally agreed to acquire and the Vendors conditionally agreed to sell in aggregate 2,022 shares of AXF Gold Ridge Limited (the “**Target Company**”), representing 20.22% share capital of the Target Company, at a consideration of approximately HK\$732.6 million, which was settled by the allotment and issue of the 90,227,200 new ordinary shares of the Company (“**Shares**”) by the Company to the Vendors at the price of HK\$8.12 per new Share (the “**Acquisition**”).

The Target Company is a company incorporated in Western Australia which holds 90% equity interest of Australian Solomons Gold Pty Ltd (“**ASG**”), a company incorporated in Queensland, Australia, and is engaged in investment holding. The Target Company has already been a subsidiary of the Company prior to the Acquisition. ASG, together with its subsidiary ASG Solomon Islands Ltd, own a 100% attributable interest of GRML, a company incorporated in the Solomon Islands. GRML owns the mining license and the exploration license in respect of Gold Ridge Project concerning the exploitation and operations of the gold mine located on the island of Guadalcanal, the central island of the Solomon Islands, approximately 30 km south-east of the capital city Honiara in the Solomon Islands (“**Gold Ridge Project**”).

As disclosed in the Prospectus, one of the growth strategies of the Group is to expand its mineral resources and ore reserves through acquisition of new mines. The Board believes that the Gold Ridge Project would continue to contribute sales revenue and profits to the Group. Unlike most other commodities, gold has been a stable performer in recent years, which is expected to enhance the stability of the Group’s income in the future under impact of economy fluctuation. The Group developed the Gold Ridge Mine which has been in trial production since November 2022. Gold Ridge Mine produces gold doré and gold concentrates. Flotation concentrate production has been steadily ramping up towards its design capacity during this trial production phase. Plant modification and upgrade continued to improve the metallurgical recovery.

For the year ended 31 December 2023 and for the six months ended 30 June 2024, sale of gold doré and gold concentrates have already accounted for more than 50% of the Group’s revenue and gross profit. As the exploration programs continue to progress and production process continue to improve at the Gold Ridge Mine, the Group expects gold mining and processing will become the major revenue and profit contributor of the Group in the near future. The Board is therefore of the view that the Acquisition aligns with the Group’s development strategy.

The Acquisition has been approved by the independent shareholders of the Company in an extraordinary general meeting of the Company. As at the date of this announcement, the Acquisition has completed, and the Group holds 98% share capital of the Target Company and results in increasing to approximately 88.2% attributable interest of GRML.

Please refer to the announcements of the Company dated 9 August 2024, 4 October 2024 and 9 October 2024 and the circular of the Company dated 11 September 2024 for details.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 22 September 2024, the Company entered into a subscription agreement (“**Subscription Agreement**”) with Gold Mountains (H.K.) International Mining Company Limited (“**Gold Mountains**”), a wholly-owned subsidiary of Zijin Mining Group Co., Ltd. (“**Zijin Mining**”) (紫金礦業集團股份有限公司), a company incorporated in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601899) and the Stock Exchange (stock code: 2899). Pursuant to the Subscription Agreement, Gold Mountains agreed to subscribe 165,600,000 new Shares at subscription price of HK\$8.33 per subscription share (the “**Subscription**”).

The subscription price of HK\$8.33 per subscription share represents: (1) a discount of approximately 9.95% to the closing price of HK\$9.25 per Share as quoted on the Stock Exchange on the last trading day of the Shares immediately preceding the date of the Subscription Agreement; and (2) a discount of approximately 8.80% to the average closing price of HK\$9.134 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The gross proceeds raised from the Subscription was approximately HK\$1,379.4 million, and the net proceeds, after deduction of all relevant expenses, was approximately HK\$1,379.3 million. Pursuant to the Subscription Agreement, 50% of the net proceeds will be used for funding of the project concerning the exploration and development of the Gold Ridge Mine in the Solomon Islands and the remaining 50% of the net proceeds will be used for general working capital of the Company, provided that the Company shall have the right to adjust the use of proceeds subject to applicable law and regulations.

Zijin Mining is a sizeable multinational mining group dedicated to the exploration and development of copper, gold, zinc, lithium, silver, molybdenum and other metallic mineral resources globally, the research, design and application of mining engineering, etc., providing the materials that improve standards of living in a low carbon future. The cooperation with Zijin Mining not only provides funding to accelerate the development of the Group’s Gold Ridge Project located in the Solomon Islands, but also facilitates the sharing of experiences and provides support in mining technology and mine operation overseas.

On 1 November 2024, the Subscription was completed and 165,600,000 Shares, representing approximately 15.28% of the issued share capital of the Company as enlarged by the allotment and issuance of the subscription shares, have been allotted and issued to Gold Mountains under the general mandate granted to the Directors at the annual general meeting of the Company held on 7 June 2024 at the price of HK\$8.33 per subscription share.

Please refer to the Company’s announcements dated 22 September 2024 and 1 November 2024 for details.

As at 31 December 2024, the utilization of the net proceeds from the Subscription was as follows:

	Planned use of net proceeds <i>HKD (million)</i>	Actual use of net proceeds as at 31 December 2024 <i>HKD (million)</i>	Unutilised net proceeds as at 31 December 2024 <i>HKD (million)</i>
Funding of Gold Ridge Project	689.6	176.4	513.2
General working capital	689.7	689.7	—
Balance	<u>1,379.3</u>	<u>866.1</u>	<u>513.2</u>

The unutilized balance of net proceeds from the Subscription is expected to be used in 2025 for the expansion of the Gold Ridge Mine.

INCREASE IN AUTHORISED SHARE CAPITAL

On 26 September 2024, the Board proposed to increase the authorised share capital of the Company from HK\$100,000,000 divided into 1,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by creating an additional 9,000,000,000 unissued Shares (the “**Increase in Authorised Share Capital**”) (ranking pari passu with the existing Shares in all respects upon issue).

The Increase in Authorised Share Capital will provide the Company with a greater flexibility for future investments and fundraising. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

On 28 October 2024, the Increase in Authorised Share Capital was approved by the Shareholders by way of an ordinary resolution at the extraordinary general meeting of the Company held on 28 October 2024.

Please refer to the Company’s announcements dated 26 September 2024 and 28 October 2024 and the circular of the Company dated 4 October 2024 for details.

SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS AND MONEY MARKET FUND

On 7 November 2024 and 8 November 2024, the Company subscribed for the structured deposit products in the total principal amount of approximately USD88.0 million offered by JP Morgan Chase Bank (the “**JPM Subscriptions**”), and the Morgan Stanley Liquidity Funds of approximately USD88.0 million (the “**MS Subscription**”) respectively.

Each of the consideration under each of the JPM Subscriptions and MS Subscription was determined on the basis of commercial terms negotiated at arm’s length between the Company and the respective counterparty, having considered (i) the then available surplus cash of the Company for treasury management purpose; (ii) the expected investment return and terms of each of the JPM Subscriptions and MS Subscription; and (iii) the prevailing market interest rates.

The structured deposit products and money market funds are of low-risk nature with satisfactory liquidity, and the subscriptions are carried out by the Company for treasury management purpose in order to maximize its return on the cash received from subscription of new shares under general mandate. The Group expects that the JPM Subscriptions and the MS Subscription will earn a better yield than current deposits generally offered by commercial banks in the PRC and Hong Kong while at the same time offer flexibility to the Group in terms of treasury management. The investments would be closely monitored and conducted in accordance with the Group's treasury policy. As such, the Board is of the view that the terms of the JPM Subscriptions and the MS Subscription are fair and reasonable, and are on normal commercial terms and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

Please refer to the Company's announcements dated 7 November 2024 and 8 November 2024 for details.

ADOPTION OF THE 2024 SHARE AWARD SCHEME AND ADOPTION OF THE 2024 SHARE OPTION SCHEME

On 21 November 2024, the Board has resolved to propose the adoption of the share award scheme to be approved by the Shareholders (the **"2024 Share Award Scheme"**), and the adoption of the share option scheme to be approved by the Shareholders (the **"2024 Share Option Scheme"**).

For the purpose of Chapter 17 of the Listing Rules, the 2024 Share Award Scheme and 2024 Share Option Scheme will constitute a share scheme involving the grant of awards by the Company and the grant of options over new Shares by the Company respectively.

On 15 January 2025, both of the 2024 Share Award Scheme and 2024 Share Option Scheme were approved by the Shareholders by way of an ordinary resolution at the extraordinary general meeting of the Company.

For the avoidance of doubt, as at 31 December 2024, no awards or options were granted under the 2024 Share Award Scheme or the 2024 Share Option Scheme respectively.

Please refer to the Company's announcements dated 21 November 2024 and 15 January 2025 and the Company's circular dated 23 December 2024 for details.

MINERAL RESOURCES AND RESERVES

The Xinzhuang Mine Mineral Resource Summary – as at 31 December 2024

JORC Mineral												
Mineralisation	Resource	Grades						Contained Metals				
Type	Category	Tonnage	Cu	Pb	Zn	TFe	mFe	Cu	Pb	Zn	TFe	mFe
		kt	%	%	%	%	%	kt	kt	kt	kt	kt
Cu-Fe	Measured	4,227	0.76	–	–	–	–	32.12	–	–	–	–
	Indicated	10,190	0.71	–	–	–	–	72.35	–	–	–	–
	Subtotal	14,417	0.72	–	–	–	–	104.48	–	–	–	–
	Inferred	564	0.49	–	–	–	–	2.74	–	–	–	–
	Total	14,981	0.72	–	–	–	–	107.21	–	–	–	–
Fe-Cu	Measured	1,399	0.19	–	–	44.17	30.89	2.61	–	–	617.96	432.14
	Indicated	2,284	0.34	–	–	39.59	25.15	7.77	–	–	904.22	574.45
	Subtotal	3,683	0.28	–	–	41.33	27.33	10.38	–	–	1,522.17	1,006.6
	Inferred	217	0.52	–	–	44.13	31.02	1.14	–	–	95.76	67.31
	Total	3,900	0.3	–	–	41.49	27.54	11.51	–	–	1,617.93	1,073.9
Cu-Pb-Zn	Measured	1,085	0.13	0.95	5.17	–	–	1.42	10.3	56.08	–	–
	Indicated	1,492	0.09	1.88	3.7	–	–	1.3	28.08	55.21	–	–
	Subtotal	2,577	0.11	1.49	4.32	–	–	2.72	38.39	111.29	–	–
	Inferred	266	0.13	0.39	4.44	–	–	0.34	1.05	11.79	–	–
	Total	2,843	0.11	1.39	4.33	–	–	3.06	39.44	123.08	–	–
Total	Measured	6,711	–	–	–	–	–	36.15	10.3	56.08	617.96	432.14
	Indicated	13,966	–	–	–	–	–	81.42	28.08	55.21	904.22	574.45
	Subtotal	20,677	–	–	–	–	–	117.57	38.39	111.29	1,522.17	1,006.6
	Inferred	1,047	–	–	–	–	–	4.21	1.05	11.79	95.76	67.31
	Total	21,724	–	–	–	–	–	121.78	39.44	123.08	1,617.93	1,073.9

Notes:

- (1) The mineral resources also contain meaningful amounts of gold and silver. Based on limited composite sample analysis, the average grade is 0.19 g/t for gold and 13.1 g/t for silver in the Cu-Fe resource, 0.17 g/t for gold and 5.7 g/t for silver in the Fe-Cu resource, and 0.61 g/t for gold and 56.7 g/t for silver for the Cu-Pb-Zn resource.
- (2) The mineral resource and ore reserve estimates prepared in accordance with JORC Code were based on information up to 31 December 2011, as disclosed in the Appendix V of the Prospectus. Please refer to the same for details of the assumptions and parameters used to calculate these resource and reserve numbers and qualities of metals.
- (3) There were no material changes in these estimates during the period from 31 December 2011 to 31 December 2024.

The Xinzhuang Mine Ore Reserve Summary – as at 31 December 2024

Mineralization Type	JORC Ore Reserve Category	Grades				Contained Metals						
		Tonnage <i>kt</i>	Cu <i>%</i>	Pb <i>%</i>	Zn <i>%</i>	TFe <i>%</i>	mFe <i>%</i>	Cu <i>kt</i>	Pb <i>kt</i>	Zn <i>kt</i>	TFe <i>kt</i>	mFe <i>kt</i>
Cu-Fe	Proved	3,073	0.77	–	–	–	–	23.66	–	–	–	–
	Probable	3,064	0.66	–	–	–	–	20.37	–	–	–	–
	Total	6,137	0.72	–	–	–	–	44.03	–	–	–	–
Fe-Cu	Proved	1,602	0.21	–	–	37.19	32.15	3.32	–	–	595.86	515.17
	Probable	797	0.32	–	–	23.17	19.81	2.56	–	–	184.65	157.91
	Total	2,399	0.25	–	–	32.53	28.05	5.88	–	–	780.51	673.08
Cu-Pb-Zn	Proved	634	0.08	0.9	4.99	–	–	0.54	5.71	31.64	–	–
	Probable	139	0.04	1.31	2.93	–	–	0.05	1.82	4.06	–	–
	Total	773	0.08	0.97	4.62	–	–	0.59	7.53	35.71	–	–
Total	Proved	5,309	–	–	–	–	–	27.52	5.71	31.64	595.86	515.17
	Probable	4,000	–	–	–	–	–	22.98	1.82	4.06	184.65	157.91
	Total	9,309	–	–	–	–	–	50.5	7.53	35.71	780.51	673.08

Notes:

- (1) The mineral resources also contain meaningful amounts of gold and silver. Based on limited composite sample analysis, the average grade is 0.19 g/t for gold and 13.1 g/t for silver in the Cu-Fe resource, 0.17 g/t for gold and 5.7 g/t for silver in the Fe-Cu resource, and 0.61 g/t for gold and 56.7 g/t for silver for the Cu-Pb-Zn resource.
- (2) The mineral resource and ore reserve estimates prepared in accordance with JORC Code were based on information up to 31 December 2011, as disclosed in the Appendix V of the Prospectus. Please refer to the same for details of the assumptions and parameters used to calculate these resource and reserve numbers and qualities of metals.
- (3) There were no material changes in these estimates during the period from 31 December 2011 to 31 December 2024.

The Walege Mine Mineral Resource Summary
– as at 31 December 2024 Grade Tonnage Reported
above a Cut-off Grade of 2.5% Pb

JORC Mineral Resource Category	Tonnes (Mt)	Grade (Pb%)	Ag (g/t)	Lead Metal (1,000t)	Silver Metal (1,000Kg)	BaSo ₄ (%)	barium sulfate (1,000t)
Measured	13.996	3.79	44.80	530.4	627.1	55.73	927.2
Indicated	18.343	3.57	43.32	655.6	794.7	56.11	644.9
Inferred	10.688	3.82	48.22	408.5	515.4	55.04	854.2
Totals	43.027	3.71	45.02	1,594.5	1,937.2	55.93	2,523.4

Notes:

- (1) The mineral resource estimates were based on 136 diamond drilling holes, 54 trenching projects and 9 pit excavation engineering completed up until 2018. The wireframes were generated based on cross sectional widths of 50m-100m*100m-200m spacing. This was based on exploration drilling patterns. Mineralisation cut-off grades of 0.5% Pb combined with the geological logging were used to define the mineralised envelopes.
- (2) The mineral resources have been classified and reported in accordance with the JORC Code. Resource classification is based on confidence in the mapping, geological interpretation, drill spacing and geostatistical measures. The current resource models provided robust global estimates of the in situ mineralisation of Pb and Ag. Mineral Resources have been reported above cut-off of 2.5% Pb.
- (3) The mineral resource estimates were based on 72 diamond drill holes completed up until 2013 and the wireframes were generated based on cross sectional widths of 100m-100m spacing as disclosed in the Company's circular dated 2 December 2015. There were no material changes in these estimates during the period from 31 December 2018 to 31 December 2024.

Gold Ridge Mine Resources Summary as at 31 December 2024

Class	Type	Tonnes <i>Kt</i>	Au <i>g/t</i>	Au <i>Koz</i>
Measured	Oxide	741	1.15	27
	Transitional	1,000	1.29	41
	Fresh	21,626	1.14	793
	Sub Total	23,368	1.15	862
Indicated	Oxide	1,442	1.02	47
	Transitional	1,545	1.23	61
	Fresh	76,410	1.22	2,992
	Sub Total	79,397	1.21	3,100
Inferred	Oxide	2,503	0.86	72
	Transitional	1,614	1.11	58
	Fresh	85,017	1.14	3,125
	Sub Total	89,134	1.14	3,255
Grand Total		191,899	1.17	7,217

Notes:

1. The estimate of mineral resources is set out in the above table and based on gold cut-off grades of 0.25 g/t for oxide, 0.52 g/t for transition, and 0.41 g/t for fresh rock for open cut potential. The mineral resource was reported within a USD2,200 per ounce pit shell, which is approximately 1.2 times the consensus forecast as of July 2024 and reflects the longer-term open cut mining economic potential. A 2 g/t Au cut-off grade was applied below the pit shell to reflect underground mining potential.
2. The estimate of mineral resources has been constrained by the topography, which was constructed from the latest July 2024 topography contour strings.
3. There were no material changes in these estimates during the period from 31 July 2024 (Please refer to the Company's announcement dated 27 December 2024 for the updates of mineral resources and reserves for details) to 31 December 2024.

Reported at >2 g/t Au cut-off below 1.2 RF Shell

Class	Type	Tonnes Kt	Au g/t	Au Koz
Measured	Oxide	—	—	—
	Transitional	—	—	—
	Fresh	—	2.82	—
	Sub Total	—	2.82	—
Indicated	Oxide	—	—	—
	Transitional	—	—	—
	Fresh	100	3.01	10
	Sub Total	100	3.01	10
Inferred	Oxide	—	—	—
	Transitional	—	—	—
	Fresh	5,400	2.43	420
	Sub Total	5,400	2.43	420
Grand Total		5,500	2.44	430

Gold Ridge Mine Ore Reserve as at 31 December 2024

	Proved			Probable			Total		
	Quantity	Au	Au	Quantity	Au	Au	Quantity	Au	Au
	<i>Mt</i>	<i>g/t</i>	<i>Koz</i>	<i>Mt</i>	<i>g/t</i>	<i>Koz</i>	<i>Mt</i>	<i>g/t</i>	<i>Koz</i>
Pit	12.8	1.39	573	14.3	1.30	601	27.1	1.34	1,174
Stockpile	0.6	1.14	22	—	—	—	0.6	1.14	22
Total	13.4	1.28	595	14.3	1.30	601	27.7	1.29	1,196

Notes:

1. The following marginal cut-off grades determined based on a USD1,750 per troy ounce gold price, and updated costs and mining and metallurgical modifying factors.
2. Marginal cut-off grades for Gold Ridge Mine Oxide 0.32 g/t Au, Transition 0.68 g/t Au and Fresh 0.55 g/t Au.
3. Pit designs are based on USD1,750 per troy oz gold metal price.
4. Ore reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to three significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.
5. All ore reserve estimates are on a dry basis.
6. There were no material changes in these estimates during the period from 31 July 2024 (Please refer to the Company's announcement dated 27 December 2024 for the updates of mineral resources and reserves for details) to 31 December 2024.

FINANCIAL REVIEW

	Year ended 31 December					
	Concentrates products, gold doré and gold concentrates (own mined) <i>RMB'000</i>	Trading of other concentrate (sourced outside) <i>RMB'000</i>	2024 Total <i>RMB'000</i>	Concentrates products, gold doré and gold concentrates (own mined) <i>RMB'000</i>	Trading of other concentrate (sourced outside) <i>RMB'000</i>	2023 Total <i>RMB'000</i>
Revenue	1,827,430	48,131	1,875,561	1,230,872	84,345	1,315,217
Cost of sales	(829,828)	(48,740)	(878,568)	(611,983)	(83,997)	(695,980)
Gross profit/(loss)	997,602	(609)	966,993	618,889	348	619,237
Gross profit margin	<u>54.6%</u>	<u>(1.27%)</u>	<u>53.2%</u>	<u>50.3%</u>	<u>0.41%</u>	<u>47.1%</u>

Revenue, cost of sales, gross profit and gross profit margin

The Group's overall revenue increased by approximately 42.6% from approximately RMB1,315.2 million in 2023 to approximately RMB1,875.6 million in 2024, which was primarily due to the increase in sales generated by our Gold Ridge Mine. Our cost of sales increased by approximately 26.2% from approximately RMB696.0 million in 2023 to approximately RMB878.6 million in 2024 which was mainly driven by the corresponding increase in sales from our Gold Ridge Mine.

The overall gross profit of the Group increased by approximately 61.0% from approximately RMB619.2 million for the year ended 31 December 2023 to approximately RMB997.0 million for the year ended 31 December 2024. The overall gross profit margin increased from approximately 47.1% for the year ended 31 December 2023 to approximately 53.2% for the year ended 31 December 2024. Such increase was mainly resulted from the increase in gross profit margin of our Gold Ridge Mine.

(i) Concentrates products, gold doré and gold concentrates (own mined)

	Year ended 31 December					
	Xinzhuang Mine Concentrated products <i>RMB'000</i>	Gold Ridge Mine gold doré and gold concentrates <i>RMB'000</i>	2024 Total <i>RMB'000</i>	Xinzhuang Mine Concentrated products <i>RMB'000</i>	Gold Ridge Mine gold doré and gold concentrates <i>RMB'000</i>	2023 Total <i>RMB'000</i>
Revenue	639,502	1,187,928	1,827,430	572,556	658,316	1,230,872
Cost of sales	(302,891)	(526,937)	(829,828)	(287,351)	(324,632)	(611,983)
Gross profit	336,611	660,991	99,602	285,205	333,684	618,889
Gross profit margin	<u>52.6%</u>	<u>55.6%</u>	<u>54.6%</u>	<u>49.8%</u>	<u>50.7%</u>	<u>50.3%</u>

Xinzhuang Mine – concentrates products

Revenue from sales of concentrates products increased by approximately 11.7% from approximately RMB572.6 million for the year ended 31 December 2023 to approximately RMB639.5 million for the year ended 31 December 2024.

For the year ended 31 December 2024, we sold 3,990 tonnes of copper in copper concentrates, 76,322 tonnes of iron concentrates and 6,480 tonnes of zinc in zinc concentrates, compared to 3,709 tonnes, 80,938 tonnes and 8,390 tonnes respectively for the year ended 31 December 2023, representing an increase of approximately 7.6% for copper in copper concentrates and decreases of approximately 5.7% and 22.8% for iron concentrates and zinc in zinc concentrates respectively which were principally due to the decrease in Cu-Pb-Zn resources and the volume of zinc in zinc concentrates processed decreased.

The average prices of copper in copper concentrates, iron concentrates and zinc in zinc concentrates in 2024 were RMB61,854, RMB640 and RMB17,107 per tonne respectively, compared to RMB53,557, RMB718 and RMB12,600 per tonne respectively in 2023, representing increases of approximately 15.5% and 35.8% for copper in copper concentrates and zinc in zinc concentrates respectively, the increase in the price of concentrates is due to the substantial stimulus measures implemented by the China's authorities, and a decrease of approximately 10.9% for iron concentrates which was due to faltering demand and high portside stocks in China.

The cost of sales of concentrates products increased by approximately 5.4% from approximately RMB287.4 million in 2023 to approximately RMB302.9 million in 2024, which was in line with the increase in sales.

The gross profit of concentrates products for the year ended 31 December 2024 was approximately RMB336.6 million, representing an increase of approximately 18.0% compared to approximately RMB285.2 million for the year ended 31 December 2023. The gross profit margin increased from approximately 49.8% for the year ended 31 December 2023 to approximately 52.6% for the year ended 31 December 2024. Such increase was mainly attributable to the surge in the selling price of certain concentrates.

Gold Ridge Mine – gold doré and gold concentrates

Our Gold Ridge Mine exported gold doré from the heap leach operation starting from November 2022 and also exported gold concentrates from flotation operation starting from February 2023.

Revenue from sales of gold doré and gold concentrates increased by approximately 80.4% from approximately RMB658.3 million for the year ended 31 December 2023 to approximately RMB1,187.9 million for the year ended 31 December 2024. The increase was primarily due to the increase in gold price and volume of gold concentrates and gold doré sold.

The cost of sales of gold doré and gold concentrates increased by approximately 62.3% from approximately RMB324.6 million for the year ended 31 December 2023 to approximately RMB526.9 million for the year ended 31 December 2024, which was increased in line with the increase in sales.

The gross profit of gold doré and gold concentrates for the year ended 31 December 2024 was approximately RMB661.0 million, which represented an increase of approximately 98.1% compared to approximately RMB333.7 million for the year ended 31 December 2023. The gross profit margin increased from approximately 50.7% for the year ended 31 December 2023 to approximately 55.6% for the year ended 31 December 2024. Such increase was mainly attributable to the surge in gold price and low cost achieved under increase in scale of production.

(ii) Trading of electrolytic copper and other concentrates (sourced outside)

Revenue from trading of other concentrates decreased by approximately 42.9% from approximately RMB84.3 million for the year ended 31 December 2023 to approximately RMB48.1 million for the year ended 31 December 2024.

The corresponding cost of sales decreased by approximately 42.0% from approximately RMB84.0 million for the year ended 31 December 2023 to approximately RMB48.7 million for the year ended 31 December 2024.

The gross profit decreased by approximately 1.75 times from a profit of approximately RMB348,000 for the year ended 31 December 2023 to a loss of approximately RMB609,000 for the year ended 31 December 2024. The gross profit margin decreased from approximately 0.41% for the year ended 31 December 2023 to approximately -1.27% for the year ended 31 December 2024. The decrease in gross profit and gross profit margin was mainly attributable to low profit margin from sale of other concentrates in the current year.

Other income

Our other income mainly comprised bank interest income of approximately RMB3.0 million, interest income from financial assets at fair value through profit or loss (“FVTPL”) of approximately RMB2.0 million, incentives received from governmental authorities of approximately RMB0.2 million and government grant and subsidy to Yifeng Wanguo in relation to the mining technology improvement of approximately RMB1.2 million for the year ended 31 December 2024. Other income decreased by approximately RMB2.0 million as compared to 2023, which was mainly attributable to the decrease in bank interest income from fixed deposits of approximately RMB0.8 million and incentives received from governmental authorities of approximately RMB1.2 million.

Other gains and losses

Our other gains and losses increased by approximately RMB12.7 million from losses of approximately RMB9.9 million to gains of approximately RMB2.8 million, which comprised mainly gain from change in fair value of financial assets at FVTPL of approximately RMB4.2 million, loss on disposal of property, plant and equipment of approximately RMB2.0 million and unrealised exchange gain of approximately RMB0.6 million as a result of the translation of Australian dollars, Hong Kong dollars, Solomon Islands dollars and US dollars into Renminbi as at 31 December 2024, whereas for the year ended 31 December 2023, there were unrealised exchange loss of approximately RMB8.9 million as a result of the translation of Australian dollars and Hong Kong dollars into Renminbi.

Distribution and selling expenses

Our distribution and selling expenses decreased by approximately 30.1% from approximately RMB78.3 million for the year ended 31 December 2023 to approximately RMB54.7 million for the year ended 31 December 2024. The decrease was mainly due to the reallocation of treatment and refinery charges of approximately RMB50.0 million which offset against the revenue. These charges were directly associated with the sales of gold concentrates from our Gold Ridge Mine.

Administrative expenses

Our administrative expenses increased by approximately 29.4% from approximately RMB103.4 million in 2023 to approximately RMB133.8 million in 2024. The increase was principally attributable to the increase in legal and professional fees and security fee due to extra security guards employed following the increase in gold inventory levels.

Finance costs

Our finance costs decreased by approximately 2.4% from approximately RMB12.6 million in 2023 to approximately RMB12.3 million in 2024, primarily due to the decrease in interest on contract liabilities of approximately RMB1.9 million in 2023 and was offset by the increase in bank interest expenses of approximately RMB1.3 million with regard to the increase in bank borrowings.

Income tax expense

Our income tax expense was approximately RMB114.6 million in 2024, consisting of PRC corporate income tax payable of approximately RMB43.3 million, Solomon Islands corporate income tax payable of approximately RMB62.4 million, withholding tax payable of approximately RMB10.7 million and deferred tax credit of approximately RMB1.8 million. Our income tax expense was approximately RMB30.7 million in 2023, consisting of PRC corporate income tax payable of approximately RMB22.8 million and withholding tax payable of approximately RMB7.9 million.

The increase in our income tax expense for the year ended 31 December 2024 was primarily due to the increase in our Gold Ridge Mine income tax expense as a result of the increase in operating profit and full utilisation of tax losses brought forward from prior years which were subject to a 35% income tax rate under the Solomon Islands corporate income tax laws.

Profit for the year

As a result of the foregoing, our profit after taxation increased by approximately 76.8% or approximately RMB300.3 million, from approximately RMB390.9 million for the year ended 31 December 2023 to approximately RMB691.2 million for the year ended 31 December 2024. The increase was mainly attributable to the increase in sales of gold doré and gold concentrates and their profits contribution from our Gold Ridge Mine.

Our net profit margin increased from approximately 29.7% for the year ended 31 December 2023 to approximately 36.9% for the year ended 31 December 2024. Such increase was mainly due to rise in revenue and profit generated from sales of gold doré and gold concentrates with high profit margin.

Profit attributable to owners of our Company

The profit attributable to the owners of our Company increased by approximately 71.6% or approximately RMB240.0 million, from approximately RMB335.4 million for the year ended 31 December 2023 to approximately RMB575.4 million for the year ended 31 December 2024.

Analysis of property, plant and equipment and construction in progress

As at 31 December 2024, the Group's property, plant and equipment and construction in progress were approximately RMB918.7 million, representing an increase of approximately RMB108.1 million or approximately 13.3% over last year mainly due to the purchase of mining and processing equipment and construction of mining structures in our Gold Ridge Mine.

Analysis of inventories

Inventories consist of raw materials, ore, processed concentrates and gold doré. Raw materials mainly include forged steel grinding balls, explosives, chemical products and diesel oil used for the production of concentrates. As at 31 December 2024 and 2023, our inventories were approximately RMB174.7 million and approximately RMB200.0 million respectively. The decrease in inventories was mainly due to the substantial gold doré and gold concentrates sold before the year ended.

Analysis of trade receivables

Trade receivables represent receivables from the sale of processed concentrates and gold doré. Our Group generally requests our concentrates customers in PRC to make a certain amount of down payment prior to delivery. For trade customers, our Group grants a credit period up to 60 days. Our trade receivables were approximately RMB164.8 million as at 31 December 2024, compared to approximately RMB69.4 million as at 31 December 2023. The increase in trade receivables as at 31 December 2024 was mainly due to sales of gold doré and gold concentrates in the Solomon Islands to customers with longer credit period.

Analysis of trade payables

Trade payables mainly consist of payables in respect of (i) the purchase of forged steel grinding balls, cement and diesel oil and (ii) construction fee payable to our contractors. As at 31 December 2024 and 2023, our trade payables were approximately RMB92.8 million and approximately RMB102.8 million respectively. The trade payables as at 31 December 2024 included payable for the purchase of diesel oil of approximately RMB27.4 million, subcontracting fee payable to our contractors of approximately RMB26.7 million and drilling expenses of approximately RMB8.4 million in our Gold Ridge Mine.

Liquidity and capital resources

Our liquidity requirements relate to funding working capital, capital expenditures and maintaining cash reserves, which are funded by a combination of bank borrowings and cash generated from operation.

Our Group had cash and cash equivalents of approximately RMB513.7 million as at 31 December 2024, compared to approximately RMB171.6 million as at 31 December 2023, of which approximately RMB268.7 million (2023: approximately RMB24.1 million) was denominated in Hong Kong dollars, Australian dollars, Solomon Islands dollars and US dollars. Such increase in bank balances and cash was mainly attributable to the proceed from subscription of new shares under general mandate.

As at 31 December 2024, the Group recorded net assets of approximately RMB3,453.3 million (2023: approximately RMB1,760.5 million) and net current assets of approximately RMB1,864.5 million (2023: net current assets of approximately RMB189.5 million). The current ratio of the Group as at 31 December 2024 was 4.78 times as compared to 1.38 times as at 31 December 2023. The increase in net current assets were attributable to the increase in bank balances and proceeds from subscription which are included in financial assets at fair value through profit or loss.

Borrowings

As at 31 December 2024, the Group had secured bank borrowings of approximately RMB110.7 million and unsecured bank borrowings of approximately RMB150.0 million (2023: secured bank borrowings of approximately RMB82.0 million and unsecured bank borrowings of approximately RMB119.9 million) in aggregate with maturity from one year to three years and effective interest rate of approximately 4.86%.

Gearing Ratio

The Group's gearing ratio (representing total bank borrowings and payables to former non-controlling shareholder of a subsidiary divided by total assets) amounted to approximately 7.7% (2023: approximately 11.0%). The decrease in gearing ratio was mainly attributable to the increase in bank balances and cash and financial assets at FVTPL of approximately RMB1,335.2 million.

Capital Expenditure

The total capital expenditure of the Group increased from approximately RMB138.3 million for the year ended 31 December 2023 to approximately RMB186.3 million for the year ended 31 December 2024, representing an increase of approximately 34.7%. The capital expenditure in 2024 was primarily incurred from the purchase of mining and processing equipment and construction of mining structures at the Xin Zhuang Mine and Gold Ridge Mine. Increase in capital expenditure was mainly attributable to the construction of processing plant in our Gold Ridge Mine.

Contractual Obligations and Capital Commitment

As at 31 December 2024, the Group's capital commitments amounted to approximately RMB18.3 million, which was attributable to the development of the Xin Zhuang Mine.

	<i>RMB'000</i>
Three new shafts projects	926
Upgrading the processing plants	16,823
Other civil work	<u>565</u>
	<u><u>18,314</u></u>

As at 31 December 2024, the Group also entered the following commitments in relation to the development of the Gold Ridge Mine.

	<i>RMB'000</i>
Mining structures	298,738
Mining and processing equipment	<u>29,420</u>
	<u><u>328,158</u></u>

Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities or guarantees.

Significant Investments, Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Group had no significant investments, or material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

Future Plan for Material Investments and Capital Assets

Save as disclosed in this announcement, the Group does not have any plan authorised by the Board for material investments or additions of capital assets as at the date of this announcement.

Charge on Group Assets

As at 31 December 2024, the Group's right-of-use-assets and buildings with carrying value of approximately RMB55.9 million (31 December 2023: right-of-use-assets and buildings of approximately RMB60.2 million) were pledged to secure the Group's bank borrowings.

Exposure to Fluctuations in Exchange Rates

The Group's businesses are located primarily in the PRC and most of the transactions are conducted in Renminbi. Except for the Group's certain bank balances and cash, other receivables and other payables are denominated in Hong Kong dollars, Australian dollars, Solomon Islands dollars and US dollars, the majority of the Group's assets and liabilities are denominated in Renminbi.

As Renminbi fluctuates against Hong Kong dollars and Australian dollars in a limited extent during the year 2024, the Group had no material adverse exposure to foreign exchange fluctuations during the year 2024.

Interest Rate Risk

Our bank borrowings are denominated in Renminbi and Hong Kong dollars borrowed from domestic commercial banks at interest rates that are determined by reference to the benchmark interest rates set by the PBoC and Hong Kong Interbank Offered Rate (“**HIBOR**”) respectively. Interest rates on our bank loans are subject to adjustments by our lenders in accordance with changes in the PBoC benchmark rates and HIBOR. We are exposed to interest rate risk resulting from changes in interest rates on our short-term and long-term bank borrowings. Increases in benchmark interest rates will increase the interest rates on our bank loans. Increases in interest rates will increase our expense on outstanding borrowings and the cost of new borrowings, and therefore could have a material adverse effect on our financial results. We have not used any interest rate swaps or other derivatives to hedge against interest rate risk.

Financial Instruments

The Group's major financial instruments include trade and other receivables, bank balances and cash, restricted bank balance, trade and other payables, amounts due to related parties, consideration payable to a former non-controlling shareholder of a subsidiary and bank borrowings.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB14.5 cents (equivalent to approximately HK\$15.7 cents) per Share for the year ended 31 December 2024 (2023: RMB18.50 cents per Share) and a special dividend of RMB7.5 cents (equivalent to approximately HK\$8.1 cents) per Share for the year ended 31 December 2024 (2023: RMB Nil cents per Share), representing approximately 41.4% of the profit and total comprehensive income attributable to owners of the Company, payable to the Shareholders whose names appear on the register of members of the Company on Friday, 20 June 2025. Based on the number of issued Shares as at the date of this announcement, this represents a total distribution of approximately RMB238.4 million. Subject to the approval of the payment of the final dividend and special dividend by the Shareholders at the annual general meeting to be held on Friday, 6 June 2025, it is expected that the proposed final dividend and special dividend will be paid on or before Thursday, 31 July 2025.

ANNUAL GENERAL MEETING

The 2025 annual general meeting (the “AGM”) of the Company will be held on Friday, 6 June 2025. A notice convening the AGM will be published and despatched to the Shareholders in accordance with the requirements of the articles of association of the Company and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 2 June 2025.

The final dividend and special dividend are payable to the Shareholders whose names appear on the register of members of the Company at close of business on Friday, 20 June 2025. For determination of entitlement to the final dividend and special dividend, the register of members of the Company will be closed from Wednesday, 18 June 2025 to Friday, 20 June 2025, both days inclusive. In order to qualify for the proposed final dividend and special dividend, all share certificates with the properly completed transfer forms, either overleaf or separately, must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 17 June 2025.

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

Xinzhuang Mine

Mineral exploration

During 2024, the exploration activities in the Xinzhuang Mine was within 4-29 exploration line. We have completed underground geological drilling of 27,975 m, with drill size of 60-108 mm for the year ended 31 December 2024. We have also finished tunnel drilling of 1,199 m and completed adit mapping of 2,650 m. For the year ended 31 December 2024, approximately RMB3.8 million was incurred for the mineral exploration.

Development

During 2024, Xinzhuang Mine incurred development expenditure of approximately RMB118.8 million. Detailed breakdown of development expenditure is as follows:

	<i>RMB'</i> <i>(million)</i>
Mining structures	116.5
Machinery and electronic equipment for processing plants	<u>2.2</u>
	<u><u>118.7</u></u>

Mining activities

During 2024, we processed a total of 1,087,333 tonnes of ore in the Xinzhuang Mine. The following table shows the volume of our concentrates products sold during 2024.

Type of concentrates sold	Volume
Copper in copper concentrates	3,990 Tonnes
Iron concentrates	76,322 Tonnes
Zinc in zinc concentrates	6,480 Tonnes
Sulfur concentrates	248,110 Tonnes
Lead in lead concentrates	1,309 Tonnes
Sulfur and iron concentrates	71,023 Tonnes
Gold in copper concentrates	54 Kg
Silver in copper concentrates	4,230 Kg
Gold in zinc concentrates	13 Kg
Silver in zinc concentrates	21 Kg
Gold in lead concentrates	111 Kg
Sliver in lead concentrates	4,751 Kg
Copper in lead concentrates	368 Kg

During 2024, the incurred expenditures for mining and processing activities were approximately RMB148.2 million (2023: approximately RMB146.7 million) and approximately RMB118.3 million (2023: approximately RMB107.7 million) respectively. The unit expenditures for mining and processing activities were approximately RMB136.3/t (2023: approximately RMB138.7/t) and approximately RMB108.8/t (2023: approximately RMB101.8/t) respectively. The increase in unit expenditure for processing activities was mainly attributable to the increase in the usage of various types of chemical products to comply with environmental protection requirements in processing processes.

Walege Mine

The Group owns 51% equity interest of Xizang Changdu, which in turn owns the Walege Mine in which the Group can conduct both open-pit and underground mining. The Group is in the progress of converting its exploration license to mining license.

Mineral exploration

No mineral exploration was conducted in 2024. During 2024, the main activities were the license maintenance as well as various activities in connection with conversion of exploration license to mining license.

Development

During 2024, Walege Mine incurred development expenditure of approximately RMB2.3 million mainly in respect of conversion of exploration license to mining license, including completion and review by experts in respect of the environmental impact assessment report and pending for submission, initiation of green mine construction programme, organizing panel review and revision etc.

Mining activities

Since the Walege Mine is still at a development stage, no mining activity has taken place during the year ended 31 December 2024.

Gold Ridge Mine

Mineral exploration

In 2024, there were a total of 915 holes drilled with total 53,198.14m at the Gold Ridge Mine, including:

- a) 16 core drill holes with 6,410.44 m, mainly targeting the Dawsons district and Charivunga deposits;
- b) 7 reverse circulation drill holes with 776.5m and 14 core drill holes with 1,803.2 m in Valehaichichi deposits;
- c) 878 reverse circulation drill holes with 44,208m, which is the areas currently being mined at the Valehaichichi deposit, Dawsons deposit, Charivunga deposit, Kupers and Dawsons deposits.

In 2024, expenditure of mineral exploration was approximately RMB34.9 million. The expenditure includes direct drilling cost, energy cost and assay cost.

Development

In 2024, the Gold Ridge Mine incurred development expenditure of RMB65.1 million mainly in respect of the construction of the tailings dry stacking facility, gold room refurbishment and flotation plant upgrade and tailings discharge pipe works.

Detailed breakdown of development expenditure is as follows:

	<i>RMB’ (million)</i>
Mining structures	5.4
Buildings	4.1
Machinery and electronic equipment for processing plants	29.5
Motor vehicles	26.1
	<hr/>
	65.1
	<hr/> <hr/>

Mining activities

Gold Ridge Mine commenced heap leach plant trial production in August 2022, and flotation plant trial production from 1 January 2023. It has continued to ramp up to its designed production capacity during 2024.

In 2024, the flotation plant processed a total of 2,281,468 tonnes of ore and produced approximately 46,191 dry metric tonnes of gold concentrates (with an average grade of around 23.88g/t). Knelson gravity circuit and heap leach plant produced 1,199 kg of gold doré (averaging 79.88% gold and 18.12% silver), which were sold to a famous refinery in Australia in 2024.

For 2024, upon completing Knelson gravity circuit and flotation plant upgrade, we expect to achieve a higher sales of gold doré and gold concentrates.

The following table sets forth the volume of respective products sold from the Gold Ridge Mine during 2024:

Type of concentrates sold	2024		2023	
	Volume	Contained gold (kg)	Volume	Contained gold (kg)
Gold Doré (<i>kg</i>)	1,573.68	1,261	1,142.90	893
Gold Concentrates (<i>tonnes</i>)	<u>44,418.20</u>	<u>1,110</u>	<u>23,638.83</u>	<u>653</u>
		<u>2,371</u>		<u>1,546</u>

The following table sets forth the volume of ores mined and processed at the Gold Ridge Mine during 2024:

	2024	2023
	Volume	Volume
	(<i>tonnes</i>)	(<i>tonnes</i>)
Volume of ore mined	2,713,310	1,466,571
Volume of ore processed	<u>2,281,468</u>	<u>1,158,854</u>

During 2024, Gold Ridge Mine incurred expenditures for mining and processing activities of approximately RMB230.1 million (2023: RMB161.2 million) and RMB257.7 million (2023: RMB154.4 million) respectively. The unit of expenditures for mining and processing activities were approximately RMB84.8/t (2023: RMB109.9/t) and RMB113.0/t (2023: RMB133.3/t) respectively.

PROSPECT

We intend to continue to grow our business into a leading non-ferrous mining company in the PRC and South Pacific region through the following major strategies.

Growing production at our mine and outsourcing our mining works

The scale of our production operation in the Xinzhuang Mine has increased our targeted mining capacity and processing capacity of 600,000 tpa by the end of 2014 and is now at the final stage of upgrading the mining capacity to 900,000 tpa. To minimise costs, we will continue to outsource our underground mining works to third-party contractors.

Horizontal expansion through future acquisitions of new mines

We intend to further expand our mineral resources and ore reserves through the acquisitions of new mines. We will consider and balance assessment criteria carefully in respect of our acquisition targets, in order to pursue acquisitions prudently with a view to further grow our business and maximise returns to the Shareholders.

OUTLOOK

In 2024, domestic and foreign non-ferrous metals trend diverge, of which copper, lead and zinc benefited from the supply contraction rose sharply, in 2025, the media forecasted non-ferrous metals supply and demand pattern may change from “supply contraction, lack of demand” to “supply repair, demand rebound”, prices may show “easy to rise but hard to fall” trend. While overseas demand may weaken due to Trump’s tariff hikes and economic slowdowns in Europe and the US, China’s demand may pick up after recovery.

Despite short-term headwinds such as a stronger US dollar and rising bond yields, the gold market in 2025 continues to show strong resilience and long-term potential. While retail investors are confident that gold will break above US\$3,000 per ounce, Wall Street pundits view the short-term challenges more cautiously and anticipate a new breakthrough in gold prices in the second half of the year.

Gold’s attractiveness as a safe-haven asset will continue to strengthen in the coming year as global economic uncertainty intensifies, geopolitical tensions rise and there is strong demand for central bank gold purchases.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has complied with the PRC laws relating to the mineral industry such as Mineral Resources Law of the PRC, the Rules for Implementation of the Mineral Resources Law, the Procedures for the Registration of Mining and Mineral Resources and adopted other practices to ensure adherence to applicable legal and regulatory requirements in our PRC operation. The Group is also governed by the Mines and Minerals Act (including its associated amendments and regulations) and the National Minerals Policy as published by the Ministry of Mines, Energy and Rural Electrification for our Solomon Islands operation. Other laws and regulations are also of relevance to the Group by nature of its mining operations, such as the Explosives Act and Environment Act, as well as the Companies Act and the Labour Act. The Board reviews and monitors regularly the Group's policies and practices on compliance with legal and regulatory requirements. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and senior management from time to time.

In addition, as a company listed on the Main Board of the Stock Exchange, the Company is subject to, among others, the Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). To the best knowledge of the Directors, the Company has complied with the relevant laws and regulations during the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the Shareholders. The Company's corporate governance practices are based on principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 (formerly Appendix 14) to the Listing Rules. Throughout 2024, the Company had complied with all applicable code provisions of the CG Code, except for the deviation from code provisions C.2.1 and C.2.7 as described below.

Mr. Gao Mingqing, in addition to his duties as the chairman of the Board (the “**Chairman**”), is also responsible for the strategic planning and overseeing all aspects of the Group's operations as the Chief Executive Officer of the Company. This constitutes a deviation from code provision C.2.1 of the CG Code. Mr. Gao Mingqing as one of the founders of the Group has extensive experience and knowledge in the core business of the Group and his duties of overseeing the Group's operations are clearly beneficial to the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

According to code provision C.2.7 of the CG Code, the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year, the Chairman did not hold any meeting with the independent non-executive Directors without other Directors present. Nevertheless, from time to time, the independent non-executive Directors express their views directly to the Chairman via other means including correspondences and emails.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules (the “**Model Code**”). Having made specific enquiries with all Directors, the Company confirmed that all Directors have complied with the Model Code and the required standards of dealings as set out in the code of conduct for the year ended 31 December 2024 and up to the date of this announcement.

The Company has also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess inside information of the Company. No incident of non-compliance with the Employees Written Guidelines by the relevant employees was noted by the Company for the year ended 31 December 2024.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board of Directors on 19 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tsang Wai Hung (chairman of the Audit Committee), Mr. Wong Chi Ming Ming and Mr. Wang Xin. The purpose of the establishment of the Audit Committee is for reviewing and supervising the financial reporting process, risk management and internal control system of the Group. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 December 2024 and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.wgmine.com. The 2024 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

By Order of the Board
Wanguo Gold Group Limited
Gao Mingqing
Chairman

Hong Kong, 19 March 2025

As at the date of this announcement, the Board comprises Mr. Gao Mingqing (Chairman), Ms. Gao Jinzhu, Mr. Liu Zhichun and Mr. Wang Renxiang as executive Directors; and Mr. Tsang Wai Hung, Mr. Wong Chi Ming Ming and Mr. Wang Xin as independent non-executive Directors.