罕王
HANKING

CHINA HANKING HOLDINGS LIMITED
中國罕王控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 03788)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS *NOTES*

1. Stabilizing production and reducing cost to increase benefits

For the iron ore and high-purity iron business, the Group focused on continuous and stable production. In 2024, the number of stable production days in the two business segments further increased, which improved production efficiency and product quality. Meanwhile, the two business segments strengthened lean management from organizational structure, assets verification, bidding management, project management, technical transformation and other aspects to improve operational efficiency, thus achieving a slight increase in gross profit. In 2024, the Group recorded a profit for the year of approximately RMB176 million, representing a year-on-year increase of 16.34%. According to the "Dividend Distribution Plan for Shareholders for the Three Years (2023-2025)" of the Company, the Board resolved to pay a final dividend of HKD 0.02 per Share in 2024 to Shareholders.

2. An increase in Shangma Mine resources to 110 million metric tons

The geological exploration project department was formed by the Company at the beginning of 2021 to systematically explore Shangma mining area. As at the end of 2024, a total of 268 mechanical core drilling holes amounting to 163,974 meters along with 8 hydrogeological holes totaling 4,724 meters were constructed during the exploration. Shangma Mine resources increased by approximately 79,760 thousand metric tons or approximately 265% through exploration, bringing the total resources to approximately 110 million metric tons. Shangma Mine resources have reached a large scale, laying a solid foundation for the sustainable development of our iron ore business.

Notes:

1. In this announcement, cost data (being information which is not required to be disclosed under the International Accounting Standards) has not been reviewed by the auditor of the Company.

2. Due to rounding, numbers presented throughout this announcement may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

3. **An increase in Australia Cygnet Gold Project resources to 1.38 million ounces**

   In 2024, the Cygnet Gold Project in Western Australia achieved outstanding results in the Stage 1 exploration program. Its JORC Code gold resources increased by 17% to 1.38 million ounces at an average grade of 3.9 gram/metric ton . Currently, the Stage 2 exploration program is in progress. In the second half of 2024, the Company, through its subsidiaries, further acquired 36.64% of the shares of the company that owns the Cygnet Gold Project, increasing its shareholding to 93.37% and paving the way for future development of the project to achieve its goal of becoming a gold producer more quickly.

MAJOR FINANCIAL DATA AND INDICATORS

	For the year ended 31 December		
	2024	2023	Change
Revenue (RMB thousand)	**2,484,150**	3,028,155	(17.96%)
Profit for the year (RMB thousand)	**175,549**	150,897	16.34%
Earnings per share (RMB cent)	**9.4**	7.9	18.99%
Final dividend (HKD per share)	**0.02**	0.02	0%
Net margin	**7.07%**	4.98%	Up 2.09 percentage points
Return on net assets	**12.14%**	11.05%	Up 1.09 percentage points

The board (the "**Board**") of directors (the "**Directors**") of China Hanking Holdings Limited (the "**Company**" or "**Hanking**", together with its subsidiaries, collectively the "**Group**") hereby announced the audited consolidated results of the Group for the year ended 31 December 2024 (the "**2024 Annual Results**"). The 2024 Annual Results have been audited by Deloitte Touche Tohmatsu, the auditor of the Company, have been reviewed by the audit committee of the Company (the "**Audit Committee**"), and have been approved by the Board on 20 March 2025.

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 this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 20 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 this announcement.

OPERATION REVIEW

I. SUMMARY OF THE COMPANY'S BUSINESS

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

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

  Benefiting from the advantages of its own high-quality iron ore resources and unique technical process, the average grade of iron ore concentrate produced by Hanking is over 68%. Due to the minimal impurity contents of sulfur, phosphorus and titanium, together with the technical advantages accumulated over the years, high-purity iron products smelted by Hanking enjoy strong corrosion resistance and high tensile strength, thereby well meeting the casting requirements of major equipment in wind power, marine engineering and other sectors. Therefore, the Company's iron ore and high-purity iron business in China provides high-quality raw materials for clean energy wind power component casting enterprises.

- ***Gold Business in Australia***

  A team has been assembled by the Company in Australia since 2010, and the then subsidiary of the Company in Australia was established in 2011, which is headquartered in Perth, the capital of Western Australia. Over the last 10 years, by completing the closed loop of acquisition, resource exploration, relaunched production and operation and capitalization in respect of SXO Gold Project, Hanking Australia has developed a gold mining and operation team with outstanding performance and applied its experience to the existing gold project, in an effort to create maximum value for the shareholders of the Company (the "**Shareholders**").

II. IRON ORE BUSINESS

1. Industry situation and specific ratio

In 2024, the overall price of iron ore fell, rose, fell and rose, and the overall price declined during the year. According to data from the General Administration of Customs, China imported a total of 1,237,000,000 metric tons of iron ore in 2024, recording a new high, representing a year-on-year increase of 4.9%. According to the National Bureau of Statistics, in 2024, the domestic production of raw iron ore was 1,042,000,000 metric tons, with a cumulative increase of 1.2%. In 2024, the domestic production of pig iron and raw steel decreased year-on-year. Looking forward to 2025, the global iron ore supply will maintain its upward trend due to the continuous implementation of new and existing projects. On the demand side, although the demand for steel in traditional industries further decreases, the demand for steel for infrastructure is expected to increase, supported by the concept of "enhancing the intensity and effectiveness" proposed in fiscal policies and the development of new infrastructure. The overall demand for steel in the manufacturing industry maintains a stable and rising trend, and the demand for steel in home appliances, new energy, shipbuilding and offshore engineering and the automobile industry still have growth potential, which will boost the overall industry demand.

Iron ore production data

Year	**2020**	**2021**	**2022**	**2023**	**2024**
Raw iron ore (domestic) output (100 million metric tons) [Note 1]	8.6672	9.8053	9.6787	9.9056	10.4194
Iron ore fines and its concentrate (import) output (100 million metric tons) [Note 2]	11.7010	11.2432	11.0686	11.7906	12.3655

Note1: Data from National Bureau of Statistics.

Note 2: Data from Monthly Statistics of the General Administration of Customs.

2. Operation status

Rich and good iron ore resource

The iron ore resources of the iron ore business of the Company are situated at the well-known iron ore metallogenic belt of Anshan to Benxi where iron ore resources are rich and in good quality. Through the processing techniques, iron ore is processed into high-grade iron ore concentrate. The Company is committed to improving the quality of its iron ore concentrated products and continuously invests in optimising its production processes. The average grade of iron ore concentrate produced in 2024 reached over 69%, and its contents of sulfur, phosphorus and titanium impurities were low, which helps significantly reduce the production cost for our customers. Therefore, Aoniu Mining was identified as a professional, advanced and specialized new "Little Giant" enterprise in Liaoning Province and its high-grade pure iron ore concentrate was awarded as a "technologically advanced" product in Liaoning Province.

All-round cost reduction and efficiency improvement

In 2024, the Company focused on "reducing costs and increasing efficiency" in terms of the iron ore business, and implemented a series of measures covering the whole process from production to operation, including but not limited to: optimizing enterprise organization, reducing intermediate processes, eliminating information barriers and improving communication efficiency; carrying out a comprehensive stock count of enterprise assets and recovering funds; strengthening the bidding management of key materials and exploration projects, and further reducing the procurement and engineering costs; optimizing the process of pre-magnetic separation tailings and cancelling the primary magnetic separation in grinding and separation operation, and realizing technological empowerment, cost reduction and efficiency improvement through technical transformation.

In April 2024, in the selection activity conducted at the "2024 Domestic Iron Ore Whole Industry Chain Summit Forum (二零二四國產鐵礦石全產業鏈高峰論壇)", our Maogong Mine won the honor of "2024 Domestic Iron Ore Brand Supplier-Green Benchmark Mining Area (二零二四國產礦鐵礦石品牌供應商-綠色標桿礦區)" in the industry by virtue of its outstanding performance in green mine construction, product quality, quality control and market reputation, etc.

Low-cost operations

In 2024, the Company maintained stable production in terms of its iron ore business. The iron concentrate output was 1,009,000 metric tons, representing a year-on-year increase of 9,000 metric tons or 0.90% and achieving 106.21% of the annual forecast. Thanks to stable production and the implementation of a wealth of measures to reduce costs and improve efficiency by the Company during the year, the Company could maintain its low-cost operations. In 2024, the average cash operating cost of a single metric ton of iron ore concentrate amounted to RMB354, representing a year-on-year decrease of RMB10 per metric ton or 2.75%.

Table 1 – Cash operation costs of the iron ore business

	For the year ended 31 December		
	2024 (RMB/ metric ton of iron ore concentrate)	2023 (RMB/ metric ton of iron ore concentrate)	Change
Mining	**175**	177	(1.13%)
Processing	**80**	87	(8.05%)
Transportation	**15**	14	7.14%
Tax	**58**	59	(1.69%)
Mine management	**26**	27	(3.70%)
Total	**354**	364	(2.75%)

Table 2 – Operation breakdown of iron ore business

	For the year ended 31 December		
	2024	2023	Change
Output of iron ore concentrates (thousand metric tons)	**1,009**	1,000	0.90%
Sales volume of iron ore concentrates (thousand metric tons)	**989**	1,022	(3.23%)
Average selling price (RMB per metric ton)	**973**	989	(1.62%)
Average cost of sales (RMB per metric ton)	**363**	396	(8.33%)
Revenue (RMB thousand)	**966,175**	1,011,491	(4.48%)
Gross profit (RMB thousand)	**606,772**	606,574	0.03%
Gross margin	**62.80%**	59.97%	Up 2.83 percentage points

For the year ended 31 December 2024, the capital expenditure of the iron ore business was RMB69,508,000 (2023: RMB88,961,000), mainly representing expenditure on mineral rights, exploration and engineering.

3. Resources and reserves

Exploration activities

The Company is well aware of the importance of sustainable high-quality resources and has been committed to prospecting for minerals in and around existing mining areas in order to continuously obtain high-quality resources. The Company continued to advance exploration in the Shangma and Maogong mining areas in 2024, with a total of 58 holes drilled and approximately 36,348 meters of work load completed during the year. The engineering control of Shangma Zone I mining area of Shangma Mine has reached the level to conduct exploration, and the corresponding hydrogeology and engineering geology conditions have been qualified for exploration. Due to the large-scale resources reserves of Shangma Mine and the estimated number of ore bodies reaching 99, the stratification, connection, calculation and modification of ore bodies are relatively complicated, resulting in a long period of time for the evaluation and filing of mineral reserves. In February 2025, the Company received a reply from the Department of Natural Resources of Liaoning Province on the evaluation and filing of mineral reserves of Shangma Mine, pursuant to which, Shangma Mine resources increased by approximately 79.76 million metric tons or approximately 265%, with a total amount of resources reaching approximately 110 million metric tons. In particular, measured resources and indicated resources accounted for 50.72% of the total resources. Details of the resource incremental are set out in the announcement of the Company dated 13 February 2025.

As at the end of 2024, the Group owned approximately 170 million metric tons of iron ore resources.

Table 3 – Iron ore resources as at the end of 2024

	Measured Resources		Indicated Resources		Inferred Resources		Total	
Mine	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**	**Metric ton**	**TFe (%)**
Aoniu Mine	–	–	12,983,099	32.45	20,476,550	31.80	33,459,649	32.05
Maogong Mine	–	–	8,530,000	34.67	18,024,000	34.65	26,554,000	34.66
Shangma Mine	18,297,420	34.77	37,637,380	33.63	54,337,930	33.51	110,272,730	33.76
Total	18,297,420[1]	34.77	59,150,479[2]	33.52	92,838,480[3]	33.35	170,286,379	33.56

[1] The resources amount includes 11,566,110 metric tons of the resources amount which does not show on the mining licenses.

[2] The resources amount includes 34,012,309 metric tons of the resources amount which does not show on the mining licenses.

[3] The resources amount includes 47,951,180 metric tons of the resources amount which does not show on the mining licenses.

Note 1: For the estimation of iron ore resources, firstly, the industrial parameters were determined in accordance with the requirements of the general standard of the geological exploration profession in the PRC "Geological and Exploration Standards for Iron, Manganese and Chrome Deposits" (DZ/T0200-2020); and then the "Geological Block" method was selected based on the geological characteristics of the ore bodies to estimate the amount of ore resources using the volume and specific gravity of ore body in each block. The resources category classification is based on the extent of geological exploration work carried out and is comparable to the JORC Code.

Note 2: The figures do not imply precision and may not add up due to rounding. Mineral resources are quoted inclusive of mineral reserves.

As at the end of 2024, the Group owned approximately 30,250 thousand metric tons of JORC Code iron ore reserves.

Table 4 – Iron ore reserves as at the end of 2024

Mine	**Reserves category**	**Increased amount for 2024 (metric ton)**	**Reserves at the end of 2024 (metric ton)**	**TFe (%)**
Aoniu Mine	Probable Ore Reserve	0	0[1]	—
Maogong Mine	Probable Ore Reserve	271,000	8,530,000	34.67
Shangma Mine	Probable Ore Reserve	8,991,090	21,720,420	33.07
Total	Probable Ore Reserve	9,262,090	30,250,420	33.52

[1] According to the latest dynamic monitoring report, the remaining iron ore reserves at Aoniu Mine are temporarily unexploitable because they are mainly located at the security pillars of the mine.

Note: In accordance with the JORC Code, ore resources are the economically mineable portion of the resources obtained through exploration and are determined based on mine feasibility study as well as actual operation parameters from the operations of relevant mines.

III. HIGH-PURITY IRON BUSINESS

1. Industry situation

According to statistics from the National Energy Administration, as at the end of 2024, the cumulative installed capacity of wind power in the PRC was 520 million kilowatts, representing a year-on-year increase of 18%. In 2024, the newly installed capacity of wind power in the PRC was 79,820,000 kilowatts, representing a year-on-year increase of 6%, among which onshore wind power amounted to 75,790,000 kilowatts and offshore wind power amounted to 4,040,000 kilowatts, but the overall industry was still under pressures to improve the profitability. According to the data from the "Daily Wind Power (每日風電)", an official account under the China Wind Power News Network (中國風電新聞網), China's commercial bid for wind power machines reached 220.644 GW (including international projects and excluding centralized procurement framework tender projects). In 2024, the wind power tender volume exceeded expectations, laying the foundation for installations of 2025. Looking ahead to 2025, with the slowing pace of upsizing for onshore wind turbines, stabilizing prices of onshore wind turbine units, and growing global demand for offshore/ onshore wind power installations, both demand and prices for wind power components are expected to increase.

2. Operation status

The product structure of the Group's high-purity iron business is mainly pig iron for high-end ductile casting, which is mainly characterized by extremely low content of harmful impurities such as phosphorus, sulfur, titanium and tension-active element, strong corrosion resistance and high tensile strength, and is positioned in the high-end market of the PRC's casting industry. This is attributable to the long-term and stable supply of high-quality raw iron ore concentrates from the Group's own mines on the one hand, and the Company's more than 10 years of advantages and experience in the production process of ductile casting iron for wind power, and many years of cooperative relations with major customers on the other hand. Relying on stable and high-quality raw materials, mature processes and experience accumulated over the years, and an annual production capacity of 930,000 metric tons in the market field of ductile casting iron, we provide high-end pig iron for ductile casting with stable quality and reliable quantity for customers of downstream castings.

In 2024, due to the fierce competition in the domestic high-purity pig iron industry, the overall market prices were on a downward trend. Facing the challenging external market environment, the Company has improved its management level and focused on continuing to stabilize production. The number of days the blast furnace running forward for the year has further increased, resulting in increased production efficiency. On the other hand, the Company anticipates market changes in advance, so as to adjust its purchasing direction and broaden its purchasing channels in a timely manner, further reducing its purchasing costs and completing the procurement of major raw materials with good quality and quantity. The output of high-purity iron was 757,000 metric tons, representing a year-on-year decrease of 13.09%, with 90.12% of the annual budget completed. For the uncompleted budget, it is mainly due to the Company's planned control of the output based on the market price changes of high-purity pig iron.

Developing new markets

The pig iron for high-end ductile casting produced by the Group is needed by more downstream enterprises of high-end casting industry due to its strong corrosion resistance and high tensile strength. In 2024, the Company worked with key customers to formulate technical indicators for new products while maintaining the stable signing of old customers in high-purity iron business. From a customer demand perspective, the Company successfully developed a large number of high-end new customers in other new areas. We will strengthen the market response ability of high-purity iron business and quickly adjust our strategy in response to market changes, to reduce the impact brought by fluctuations in a single industry profit to high-purity iron business and keep improving the added value of products. In 2024, the sales volume of high-purity iron was 753,000 metric tons, representing a year-on-year decrease of 15.96%, among which the sales volume of wind power ductile casting iron accounted for approximately 86% of the total sales volume. In 2024, the Group recorded a gross profit in high-purity iron of RMB62,741,000, representing a year-on-year increase of 329.70%, and a gross profit margin of 2.75%, representing a year-on-year increase of 2.23 percentage points.

Table 5 – Operation breakdown of high-purity iron business

	For the year ended 31 December		
	2024	2023	Change
Output (thousand metric tons)	**757**	871	(13.09%)
Sales volume (thousand metric tons)	**753**	896	(15.96%)
Average selling price (RMB per metric ton)	**2,990**	3,096	(3.42%)
Average cost of sales (RMB per metric ton)	**2,945**	3,089	(4.66%)
Revenue (RMB thousand)	**2,281,905**	2,783,782	(18.03%)
Gross profit (RMB thousand)	**62,741**	14,601	329.70%
Gross margin	**2.75%**	0.52%	Up 2.23 percentage points

For the year ended 31 December 2024, capital expenditures of the high-purity iron business amounted to RMB21,351,000 (2023: RMB12,126,000), mainly representing expenditures on plant, machinery and equipment and property.

IV. GOLD BUSINESS IN AUSTRALIA

1. Industry situation

According to the World Gold Council, the total annual global demand for gold (including over-the-counter transactions) reached 4,975 metric tons in 2024, achieving a record high, driven by continued strong central bank gold purchases and growth in investment demand. In 2024, global central banks continued to hoover up gold at an eye-watering pace, buying exceeded 1,000 metric tons for the third year in a row. In 2024, the average gold price was US$ 2,386 per ounce, with a year-on-year increase of 23%. Record high gold prices and demand also pushed the global gold demand to an unprecedented US$382 billion in 2024. Looking ahead to 2025, it is difficult to make a specific forecast as the policy of the new American government is still unclear, although the gold price cycle is upward, which may keep the range fluctuating. The potential upside of gold may come from the possible stronger-than-expected central bank demand or the inflow of safe-haven funds due to changes in the financial environment. Correspondingly, if the expected reversal in monetary policy leads to an increase in interest rates, it may pose a challenge to gold. Geopolitics may be the most uncertain factor affecting gold prices in 2025.

2. Operation status

Mt Bundy Gold Project in Northern Australia

The Mt Bundy Gold Project in the Northern Territory of Australia has approximately 3,010,000 ounces of JORC Code gold resources at an average grade of 0.9 gram/metric ton, and approximately 1,640,000 ounces of gold reserves at an average grade of 0.9 gram/metric ton. The definitive feasibility study report for the project has shown that it will be a robust, long life gold development project, with an average annual gold production of 170,000 ounces (approximately 5.5 metric tons) in the first 5 years of an initial 11+ years mine life. Details of the report are set out in the Company's announcement dated 13 November 2023.

The Northern Territory Government has listed the Mt Bundy Gold Project as a "major project" for government support. The necessary key approvals for mine production and foundation of the project, including mining licenses, indigenous rights permits and environmental impact assessment approvals, have been obtained. Currently, we are in communication with relevant government departments to obtain approval for the mine production plan. Preliminary construction work on the project, including water treatment plant, drainage system and power grid connection, has also been completed. At present, we are promoting more mineral processing experiments, daily environmental management and the operation of sewage treatment plants.

On 1 July 2024, HGM Resources Pty Ltd (the "**Vendor**"), a subsidiary of the Company, entered into a share sale agreement with Huineng Gold Pty Ltd (the "**Purchaser**") and Inner Mongolia Huineng Coal and Electricity Group Co., Ltd (as the guarantor, the ultimate holding company of the Purchaser), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Primary Gold Pty Ltd ("**Primary Gold"**, a wholly-owned subsidiary of the Vendor) at the Purchase Price of AUD300 million plus the environmental bond amount of approximately AUD3,120,000. Primary Gold holds the exploration and development business and assets of Mt Bundy Gold Project. Since the signing of the agreement, the parties have cooperated well and have conducted a series of verification drilling and mineral processing tests, funded by the Purchaser, with results in line with expectations. As at the date of this announcement, the preconditions for the transaction have not been fully met (with only the foreign exchange approval of the Purchaser in the relevant departments of China government and the approval of the Purchaser in the Australian Foreign Investment Review Board (FIRB)) remaining outstanding), and the transaction has not yet been completed. Details of the transaction are set out in the Company's announcement dated 5 July 2024 and circular dated 22 August 2024.

The primary reason of the disposal of the Mt Bundy Gold Project is to concentrate our limited human and financial resources on the exploration, licensing and feasibility study for the development of our Cygnet Gold Project in Western Australia, thereby achieving our goal of becoming a gold producer more quickly.

Cygnet Gold Project in Western Australia

In 2024, the Company focused on the exploration of Cygnet Gold Project. In the Stage 1 exploration program, we implemented data exploration and reverse circulation drilling. Our exploration has achieved outstanding results, which increased the project's JORC Code resources by 17% to 1.38 million ounces of gold at an average grade of 3.9 gram/metric ton. High confidence categories of measured and indicated resources accounted for 84% of the total resources. It is worth noting that even if at a more conservative cut off grade of 2.5 gram/metric ton, the total resource would be 1.21 million ounces of gold at an average grade of 4.26 gram/metric ton, confirming the high-grade nature of the Cygnet Gold Project. The Company immediately initiated the Stage 2 exploration program which focused on geotechnical drilling to provide engineering geological data for the approval of a mine development license.

In October 2024, the Company, through its subsidiaries, further acquired 36.64% of the shares in the company that owns the Cygnet Gold Project, increasing its shareholding to 93.37% and paving the way for future development of the project. Details of the transaction are set out in the Company's announcement dated 27 October 2024. At present, we are promoting the mineral processing experiment, mining plan preparation, development strategy planning and scope definition for the Cygnet Gold Project simultaneously.

In December 2024, the Company's subsidiary, Cygnet Gold, signed an agreement to acquire the Corinthia Gold Mine for a consideration of AUD9 million. The acquisition was completed in March 2025. The Corinthia Gold Mine has a resource of approximately 340 thousand ounces of gold which complies with JORC Code. Following the completion of this acquisition, the Cygnet Gold Project will be consolidated into a large-scale gold mining project, encompassing Golden Pig, Copperhead, and the newly acquired Corinthia. The combined total gold resources will reach 1.72 million ounces. Additionally, Corinthia is planned to serve as the processing plant site for the Cygnet Gold Project.

For the year ended 31 December 2024, capital expenditures of the gold business amounted to RMB37,465,000 (2023: RMB116,489,000), which mainly included operating expenditures on Cygnet Gold acquisition (shareholding increase), exploration, environmental assessment and mineral rights maintenance.

3. Resources and reserves

As at the end of 2024, the Group had JORC Code resources of approximately 4.38 million ounces of gold at an average grade of 1.1 gram/metric ton and reserves of approximately 1.64 million ounces of gold at an average grade of 0.9 gram/metric ton. Under the JORC Code, we cannot estimate Cygnet gold mine reserves at this time as pre-feasibility study has not been completed.

Table 6 – Gold mine resources as at the end of 2024

	Ore resources *(Mt)*	Measured grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Indicated grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Inferred grade *(g/t)*	Contained metal *(Koz Au)*	Ore resources *(Mt)*	Total grade *(g/t)*	Contained metal *(Koz Au)*
Mt Bundy Project												
Rustlers Roost	–	–	–	63.4	0.8	1,533	28.4	0.5	491	91.9	0.7	2,023
Quest 29	–	–	–	8.3	1.0	261	5.9	1.1	207	14.2	1.0	468
Tom's Gully	–	–	–	2.3	6.3	459	0.3	6.1	55	2.5	6.3	514
Subtotal	–	–	–	74.0	0.9	2,253	34.6	0.7	753	108.6	0.9	3,006
Cygnet Project												
Golden Pig	0.1	4.4	8	4.5	3.9	564	1.3	3.1	127	5.9	3.7	699
Copperhead	–	–	–	4.4	4.1	581	0.8	3.9	97	5.1	4.1	679
Subtotal	0.1	4.4	8	8.9	4.0	1,145	2.1	3.4	225	11.0	3.9	1,378
Total	0.1	4.4	8	82.9	1.3	3,398	36.7	0.8	978	119.6	1.1	4,384

Table 7 – Gold mine reserves as at the end of 2024

	Resource category	Ore resources *(Mt)*	Grade *(g/t)*	Contained metal *(Moz Au)*
Mt Bundy Project				
Rustlers Roost	Probable	48.5	0.8	1.24
Quest 29	Probable	5.1	0.9	0.14
Tom's Gully	Probable	1.4	5.4	0.25
Subtotal	Probable	55.0	0.9	1.64
Cygnet Project*	Probable	–	–	–
Total	Probable	55.0	0.9	1.64

* *According to JORC Code, proved reserves can only be announced after the completion of the pre-feasibility study report of the project.*

Note: Due to rounding, the figures on the table may not add up to the total provided.

V. PROSPECT AND COUNTERMEASURES

Mineral resources are the cornerstones of the Group's business. In terms of the iron ore business, the Group will proceed with exploration in the existing mines and surrounding areas and promote the relevant work of further developing and using newly-added resources to continuously enhance the Group's high quality iron ore resources reserves. We continuously optimize our management through smart mine system construction, thereby reducing costs and increasing efficiency. In 2025, the Group plans to produce approximately 950,000 metric tons of iron concentrate, so as to solidify its competitive advantages of high quality and low cost.

In 2025, the Group plans to produce approximately 830,000 metric tons of high-purity iron, taking advantages of Hanking's superiority in resources, production capacity, technology and market in high-purity iron sector to provide high-quality raw materials for the wind power industry, and seek to expand the share of clients in other high-end manufacturing applications.

In 2025, for the gold business, the Group will focus on the exploration, feasibility study and various government approvals required for the construction of the Cygnet Gold Project in Western Australia. The Company aims to become a gold producer within two years. Our future plan is to consider further acquisition based on self-owned fund. There are no proposed acquisition projects at the momment.

The Board would like to emphasize that due to the uncertainties in metal prices, the domestic raw materials market and the production environment, the above plans are made solely on the basis of the current market situation and the existing conditions of the Group. The Board may adjust the relevant production plan subject to any changes in the circumstances.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As of 31 December 2024, the Group did not have any concrete plans to make any material investment or acquire capital assets other than those carried out in its ordinary course of business. The Group will keep abreast of the changing market conditions and proactively identify investment opportunities in order to broaden the revenue base of the Group and enhance its future financial performance and profitability.

SAFETY, ENVIRONMENTAL PROTECTION, EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 1,714 employees (as at 31 December 2023: 1,762 employees). For the year ended 31 December 2024, the aggregate remuneration expenses and other employee benefits costs of the Group amounted to RMB207,997,000 (2023: RMB219,324,000). Employee costs include basic salary, commission and bonus, housing allowance, pension, medical insurance, occupational injury insurance and other insurances required by the government. In accordance with the remuneration policy of the Company, the income of employees is related to the performance of individual employees and the operating performance of the Company. The Company carried out performance assessment to motivate employees, so as to enhance its operating performance. In order to improve the overall quality and professional skills of the employees, the Group has developed and implemented the Administrative System on Training.

For details on safety, environmental protection and employee development of the Group for the year 2024, please refer to the Environmental, Social and Governance Report of the Company for the year 2024 to be published on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkexnews.hk and the Company's website at www.hankingmining.com.

FINANCIAL REVIEW

1. Revenue, Cost of Sales, Gross Profit

For the year of 2024, the Group's revenue was RMB2,484,150,000, representing a decrease of RMB544,005,000 or 17.96% as compared to last year. The decrease was mainly due to the fact that the selling volume of high-purity iron in 2024 decreased by approximately 143,000 metric tons and the sales price decreased by RMB106 per metric ton as compared to last year, resulting in a decrease in revenue of RMB521,924,000.

For the year of 2024, cost of sales incurred by the Group amounted to RMB1,810,591,000, representing a decrease of RMB595,614,000 or 24.75% as compared to last year, mainly due to the combined effect of a decrease in the sales volume of high-purity iron of approximately 143,000 metric tons and a decrease in unit cost as compared to last year.

For the year of 2024, gross profit of the Group was RMB673,559,000, representing an increase of RMB51,609,000 or 8.30% as compared to last year. As compared to last year, gross margin of the Group increased from 20.54% to 27.11% in 2024.

Analysis on the revenue by major products

	For the year ended 31 December 2024 *RMB'000*				For the year ended 31 December 2023 *RMB'000*			
	Iron ore business	**High-purity iron business**	**Others**	**Total**	Iron ore business	High-purity iron business	Others	Total
Iron ore concentrates	**200,318**	**–**	**–**	**200,318**	245,680	–	–	245,680
High-purity iron	**–**	**2,252,706**	**–**	**2,252,706**	–	2,774,630	–	2,774,630
Others	**3,840**	**23,409**	**3,877**	**31,126**	1,060	3,190	3,595	7,845
Total	**204,158**	**2,276,115**	**3,877**	**2,484,150**	246,740	2,777,820	3,595	3,028,155

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

For the year of 2024, other income of the Group was RMB12,855,000, representing a decrease of RMB10,413,000 or 44.75% as compared to last year. Other income mainly represented interest income and government grants. The decrease in other income was mainly due to the decrease in interest income caused by the decrease in margin deposits.

For the year of 2024, other losses and other expense of the Group were RMB17,659,000, representing a decrease of RMB24,480,000 or 58.09% over last year, mainly attributable to the Group's provision for impairment of interests in associates of RMB5,975,000 for the year of 2024 as a result of continuous loss in associates, as compared to the Group's provisions for impairment of interests in associates and of long-lived assets totaling RMB31,059,000 for the year of 2023. Other losses mainly consisted of the impairment loss of assets, foreign exchange losses, disposal gains or losses of available-for-sale financial assets, net gain or loss from disposal of properties, plants and equipment, and other overheads, etc. Other expense represented donation expenditure.

For the year of 2024, the reversal of impairment loss under the Group's expected credit loss model was RMB1,067,000, representing an increase of RMB466,000 or 77.54% as compared to the reversal of impairment loss last year. The Group has, upon more due consideration, made provision for an impairment loss on receivables under expected credit loss model according to the historical settlement pattern, industry practice, the Group's historical actual loss experience and general economic conditions of the industry in which the debtors operate.

3. Distribution and Selling Expenses, Administrative Expenses

For the year of 2024, the distribution and selling expenses of the Group were RMB88,106,000, representing a decrease of RMB9,845,000 or 10.05% as compared to last year, which was mainly due to the decrease in sales volume of high-purity iron of approximately 143,000 metric tons as compared to last year and the change in delivery distance of customers resulting in a decrease of RMB9,862,000 in the distribution and selling expenses. Selling and distribution expenses consisted of transportation expenses, labour expenses and others.

For the year of 2024, the administrative expenses of the Group were RMB208,344,000, representing a decrease of RMB16,321,000 or 7.26% as compared to last year. Administrative expenses included remuneration paid to the management and administrative staff of the Group, depreciation and amortization, leasing and office expenses, business development expenses, professional consultation and service expenses, taxation expenses, bank charges and others.

4. Finance Costs and Income Tax Expense

For the year of 2024, the finance costs of the Group were RMB67,518,000, representing a decrease of RMB2,808,000 or 3.99% as compared to last year. Finance costs included interest expenses on bank borrowings, discount expenses and other finance expenses. The decrease in finance costs for the year as compared to last year was mainly due to the decrease in bill discount expenses.

For the year of 2024, the income tax expense of the Group was RMB123,571,000, representing an increase of RMB70,863,000 or 134.44% as compared to the income tax expense last year. Income tax expense included the total amount of current tax payable and deferred tax.

5. Profit for the Year and Total Comprehensive Income

Based on the aforesaid reasons, the Group's profit for the year of 2024 was RMB175,549,000, representing an increase of RMB24,652,000 or 16.34% as compared to last year.

Based on the profit for the year, and affected by the changes in fair values of financial assets measured at fair value through other comprehensive income and foreign currency translation etc., the total comprehensive income of the Group for the year of 2024 was RMB148,996,000, representing a decrease of RMB18,217,000 or 10.89% as compared to last year.

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

As at 31 December 2024, the net value of property, plant and equipment of the Group was RMB654,085,000, representing a decrease of RMB82,158,000 or 11.16% as compared to the end of last year.

As at 31 December 2024, the inventories of the Group were RMB261,314,000, representing an increase of RMB28,958,000 or 12.46% as compared to the end of last year, due to the stocking up of high-purity iron business in advance as the 2025 Spring Festival was in January, resulting in the increase in inventories.

As at 31 December 2024, the intangible assets of the Group were RMB279,655,000, representing a decrease of RMB284,910,000 or 50.47% as compared to the end of last year. The decrease was mainly due to the approval of the sale of 100% of the shares of Primary Gold and its subsidiaries during the year, which was expected to be completed within twelve months, thus reclassifying those assets related to the equity disposal as assets held for sale.

7. Trade and Other Receivables, Trade and Other Payables

As at 31 December 2024, trade receivables of the Group were RMB156,299,000, representing an increase of RMB69,413,000 as compared to the end of last year, deducting the effect of RMB49,600,000 for factoring the third party trade receivables to non-bank financial institutions, representing an increase of RMB19,813,000 as compared to last year.

As at 31 December 2024, other receivables of the Group were RMB66,332,000, representing a decrease of RMB35,089,000 as compared to the end of last year. Such decrease was due to the recovering of receivables due from third parties.

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

As at 31 December 2024, bills receivables of the Group (bank acceptance bills) were RMB286,076,000, representing a decrease of RMB108,609,000 as compared to the end of last year, of which undiscounted and unendorsed bank acceptance bills were RMB17,726,000. Such bills can be discounted or endorsed at any time to satisfy the capital requirements.

As at 31 December 2024, trade payables of the Group were RMB195,391,000, representing a decrease of RMB50,261,000 as compared to the end of last year, including the decrease of RMB42,342,000 in accounts payable that has endorsed bills receivable to suppliers but not derecognised in their entirety. As at 31 December 2024, other payables of the Group were RMB129,160,000, representing a decrease of RMB32,511,000 as compared to the end of last year, mainly due to the decrease in payables and other taxes payable for acquisition of property, plant and equipment.

8. Cash Use Analysis

The summary of the Group's consolidated statement of cash flows for the year of 2024 is set out below.

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net cash flows from operating activities	**178,669**	318,965
Net cash flows from investing activities	**(68,217)**	(114,973)
Net cash flows from financing activities	**(22,012)**	(67,160)
Net increase in cash and cash equivalents	**88,440**	136,832
Cash and cash equivalents at the beginning of the year	**270,258**	134,411
Cash and cash equivalents classified as assets held for sale	**(1,817)**	—
Effect of changes in foreign exchange rate on cash and cash equivalents	**1,247**	(985)
Cash and cash equivalents at the end of the year	**358,128**	270,258

The net cash inflow from operating activities during the year of 2024 was RMB178,669,000. The amount was mainly attributed to the profit before tax of RMB299,120,000, together with depreciation and amortization of RMB139,703,000, finance costs of RMB67,518,000, which were offset by the net change in working capital of RMB173,558,000 and the payment of income tax of RMB162,782,000.

For the year of 2024, the net cash outflow from investing activities amounted to RMB68,217,000. This amount mainly included the amount of RMB61,748,000 paid for the addition of plant and equipment as well as acquisition of properties in order to achieve expansion of production capacity and technological upgrade, the amount of RMB67,273,000 paid for the acquisition of intangible assets, the amount of RMB9,265,000 paid for the purchase of right-of-use assets, the amount of RMB92,311,000 paid for the acquisition of non-controlling equity of the Cygnet Gold Project in Western Australia, the amount of RMB13,854,000 paid for the acquisition of subsidiaries, the recovery of third-party borrowings of RMB36,600,000, interest income of RMB8,421,000 and the net recovery of borrowings and bills deposits of RMB118,782,000.

For the year of 2024, the net cash outflow from financing activities was RMB22,012,000, which was mainly from the new bank borrowings of RMB714,629,000, the repayment of bank borrowings of RMB504,172,000, the net outflow from notes financing of RMB98,172,000, the settlement of loan interest of RMB65,429,000 and the payment of dividend of RMB69,695,000.

9. Cash and Borrowings

As at 31 December 2024, the available cash and bank acceptance bills of the Group amounted to RMB375,854,000, representing an increase of RMB12,562,000 or 3.46% as compared to the end of last year.

Breakdown of Available Cash and Bank Acceptance Bills

	31 December 2024	31 December 2023	Changes	
			Amount	
	RMB'000	*RMB'000*	*RMB'000*	Ratio
Cash and bank balance	**358,128**	270,258	87,870	32.51%
Bank acceptance bills (undiscounted and unendorsed)	**17,726**	93,034	-75,308	-80.95%
Available cash and bank acceptance bills	**375,854**	363,292	12,562	3.46%

As at 31 December 2024, bills payables and borrowings of the Group amounted to RMB594,578,000 and RMB895,857,000, respectively, and the amount net of borrowings and bills deposits was RMB808,091,000, representing an increase of RMB74,205,000 or 10.11% as compared to the end of last year.

Breakdown of Borrowings and Bills Payables

	31 December 2024	31 December 2023	Changes	
			Amount	
	RMB'000	*RMB'000*	*RMB'000*	Ratio
Borrowings – due within one year	**895,857**	728,621	167,236	22.95%
Borrowings – due after one year	**—**	55,000	-55,000	-100.00%
Subtotal	**895,857**	783,621	112,236	14.32%
Bills payables	**594,578**	692,750	-98,172	-14.17%
Total	**1,490,435**	1,476,371	14,064	0.95%
Less: borrowings and bills deposits	**526,156**	644,938	-118,782	-18.42%
Less: discounted bank acceptance bills	**106,588**	97,547	9,041	9.27%
Less: factored trade receivables	**49,600**	—	49,600	100.00%
Net borrowings and bills payables	**808,091**	733,886	74,205	10.11%

Save for the information disclosed above or otherwise in this announcement, the Group has no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, loans, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that, save as disclosed above, there were no material changes in the debts and contingent liabilities of the Group from 31 December 2023.

10. Gearing Ratio

The gearing ratio of the Group as at 31 December 2024 was 59.87%, which was the same as that at the end of last year. The gearing ratio was calculated by dividing total liabilities by total assets.

The Group's net gearing ratio decreased from 31.96% as at 31 December 2023 to 31.21% as at 31 December 2024. The net gearing ratio is calculated by dividing net borrowings and bills payables net of borrowings and bills deposits as well as bank balance and cash by total equity.

11. Major Risks

Reliance upon major suppliers: For the year ended 31 December 2024, purchases from five largest suppliers of the Group accounted for approximately 38.95% of the total purchases, among which purchases from the largest supplier accounted for 17.12% of total purchases. The Group did not enter into any long-term contracts with purchase responsibility with its suppliers. There is no guarantee that the Group will not suffer a shortage impact from any supplier. If any major supplier reduces its volume of supply to the Group, the Group may seek other suppliers on similar and acceptable terms and conditions. Failure to do so may disrupt the Group's production and increase its production cost, which in return may have a significant adverse impact on the Group's business, financial condition, operating results and growth prospects.

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

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

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

Foreign exchange risk: As of the date of this announcement, the reporting currency of the Group was RMB. Since RMB is not freely convertible, the risk that the Chinese government may take measures to interfere exchange rates may bring effects to the Group's net asset value, profit and the dividends declared to the extent that such dividends are subject to foreign exchange. In addition, the Group owns assets in Australia. Their assets and liabilities are denominated in AUD, which are subject to fluctuation in the foreign exchange rate and may affect the net assets value and profit of the Group to some extent. The management of the Group will continue to monitor the currency matching between the revenue and costs of the Group and exchange risks, and may consider taking appropriate measures to hedge material exchange risks when necessary.

12. Pledge of Assets and Contingent Liabilities

Some of the bank borrowings and bills payables of the Group are secured by bank deposits, bank acceptance bills, property, plant and equipment, mining rights as well as right-of-use assets. As at 31 December 2024, the net carrying value of the pledged bank deposits, bank acceptance bills, trade receivables, property, plant and equipment, mining rights and right-of-use assets amounted to RMB526,156,000, RMB106,588,000, RMB48,494,000, RMB52,250,000, RMB35,746,000 and RMB41,043,000, respectively.

As at 31 December 2024, the Group had no material contingent liabilities.

13. Capital Commitment

As at 31 December 2024, the capital commitment of the Group was RMB41,544,000, representing an increase of RMB18,893,000 or 83.41% as compared to last year. The amount mainly represents the agreements signed by Cygnet Gold to acquire a tenement of the mining lease and the right to a mine with the total purchase prices of AUD9,000,000 (equivalent to RMB40,563,000). The acquisitions have been completed in March 2025.

14. Capital Expenditure

The Group's capital expenditure decreased from RMB218,120,000 in 2023 to RMB139,793,000 in 2024. Expenditure incurred in 2024 mainly included (i) expenditures for plants, machines and equipment and properties amounting to RMB44,223,000; (ii) expenditure for intangible assets amounting to RMB78,393,000; and (iii) increase of RMB17,177,000 in right-of-use assets.

15. Significant Investments Held

As at 31 December 2024, the Group did not hold any significant investments.

16. Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 25 October 2024, the Company further acquired 36.64% of the shares of the company affiliated to the Cygnet Gold Project through its subsidiaries, and accordingly the shareholding ratio increased to 93.37%, with a consideration of AUD19,380,000 (equivalent to RMB 92,311,000) for the acquisition.

On 1 July 2024, HGM Resources Pty Ltd (a subsidiary of the Company) (the "Vendor") signed a share sale agreement with Huineng Gold Pty Ltd (the "Purchaser") and Inner Mongolia Huineng Coal and Electricity Group Co., Ltd (the ultimate holding company of the Purchaser, as the guarantor), pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 100% of the shares in Primary Gold (a wholly-owned subsidiary of the Vendor) at the purchase price of AUD300 million plus the environmental bond amount of approximately AUD3,120,000. As at the date of this announcement, the conditions precedent to the transaction have not been satisfied and the transaction has not been completed. The transaction was expected to be completed within twelve months. The relevant assets and liabilities of Primary Gold have been classified as assets held for sale and liabilities associated with assets classified as held for sale, and were presented separately in the consolidated statement of financial position.

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year of 2024.

17. Significant Subsequent Events

Save as disclosed in this announcement, there were no other significant events taken place subsequent to the year ended 31 December 2024.

18. Material Changes

Save as disclosed in this announcement, there have been no material changes in respect of the future development of the business of the Group (including the Company's prospects for the current financial year) since the publication of the Company's 2024 interim report.

OTHERS

1. Dividend

THE "DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS FOR THE THREE YEARS (2023-2025)" OF THE COMPANY

i. Principle of Formulation

The profit distribution policy of the Company should be consistent and stable. The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. In the next three years, the Company will actively distribute profits in form of cash. This plan is formulated in compliance with the relevant laws, regulations and the Articles of Association, and on the premise that the consistency and stability of the profit distribution policy have been maintained.

ii. Formulation of Dividend Plan

The Board shall comprehensively consider factors such as the characteristics of the industry in which the Company operates, conditions of business operation, profitability and the strategic development plan for the future, and formulate dividend plan upon the conclusion of each accounting year according to the procedures stipulated in the Articles of Associations, provided that the amount of dividend shall account for at least 30% of the Group's total net profit for the period.

iii. Forms of Profit Distribution

The Company will make interim and annual profit distribution. The Company may distribute profits in form of cash, shares, a combination of cash and shares or other forms that may be permitted by the laws and regulations. Where the conditions for cash dividends are satisfied, the Company shall prioritize the distribution of cash dividends. Where the Company distributes profits by way of dividends on shares, the decision shall be made based on genuine and reasonable grounds such as the Company's growth potentials and dilution of net assets per share.

Subsequent to the end of the reporting period, the Board recommended the payment of a final dividend of HKD0.02 (2023: HKD0.02) per share for the year ended 31 December 2024 to Shareholders. In addition to the interim dividend of HKD0.02 per share already paid on 18 October 2024, a total dividend of HKD0.04 per share will be paid in 2024. The payment of the final dividend will be conditional upon the approval of the Shareholders at the upcoming annual general meeting of the Company. It is expected that the final dividend will be paid to the Shareholders by 16 June 2025.

2. Closure of Register of Members

In order to determine the Shareholders who are entitled to receive the final dividend, the register of members of the Company will also 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. For unregistered Shareholders who wish to be eligible to receive the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 2 June 2025. Shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025 will be entitled to receive the final dividend.

3. Management Contracts

For the year ended 31 December 2024, there is no contract entered into by the Company relating to its management and administration or subsisting during the year which is substantial to the entire or any part of the business of the Group.

4. Purchase, Redemption or Sale of Listed Securities of the Company

For the year ended 31 December 2024, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules of the Company), if any) of the Company. The Company did not have any treasury shares as at 31 December 2024.

5. Restricted Share Award Scheme

The Company adopted a Restricted Share Award Scheme on 29 August 2019, which shall be valid and effective for a period of 10 years. The maximum number of award shares that may be granted under this scheme in aggregate shall be no more than 90,000,000 shares.

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

As of the date of this announcement, the trustee, as instructed by the Board, purchased a total of 39,539,000 shares on the market at a total consideration of HKD50,438,200 (No Shares were purchased during the year ended 31 December 2024). The trustee holds these shares pursuant to the rules of the scheme and the terms of the deed of trust.

As of the date of this announcement, no award shares have been granted to the selected participants under this scheme.

6. Non-competition Agreement Compliance

The Company signed a non-competition agreement (the "**Non-Competition Agreement**") with the controlling Shareholders on 16 June 2011. In accordance with the Non-Competition Agreement, the independent non-executive Directors are responsible for reviewing and considering whether to exercise such option and pre-emptive right, as well as entitled to conduct annual review of implementation of the agreement on behalf of the Company. During the year of 2024, each controlling Shareholder has made annual confirmation of compliance with the Non-Competition Agreement, and the independent non-executive Directors have also reviewed the implementation of the Non-Competition Agreement, and confirmed that the controlling Shareholders have fully abided by the agreement without any breach of the agreement.

7. Compliance with Corporate Governance Code

Save as disclosed herein, during the year ended 31 December 2024, the Company has fully complied with the principles and all the applicable code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. Meanwhile, the Company has complied with most of the best practices as recommended therein.

With effect from 20 March 2018, Mr. Yang Jiye, the chairman of the Board, has assumed the role of Chief Executive Officer ("**CEO**") and President of the Company. Although this is not in compliance with the requirement under code provision C.2.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company believes that vesting the roles of both chairman of the Board and CEO in Mr. Yang Jiye can provide strong and consistent leadership and enable more effective planning and better execution of long-term business strategies, which is beneficial to the overall development of the Company. As required under the decision-making framework of the Company, all significant decisions shall be made by all Directors to ensure the balance of power and authority. The Company will decide whether to appoint another person as the CEO based on the business operation if and when appropriate.

8. Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

9. Significant Legal Proceedings

For the year ended 31 December 2024, the Group has not been involved in any significant legal proceedings or arbitration. To the knowledge of the Directors, there are no significant legal proceedings or claims pending or threatened.

10. Audit Committee

The Audit Committee has reviewed the announcement for 2024 Annual Results and the consolidated financial statements of the Company for the year ended 31 December 2024.

11. Auditor

The consolidated financial statements of the Company for the year ended 31 December 2024 have been audited and agreed by Deloitte Touche Tohmatsu with unqualified opinion.

12. Publication of Annual Report

The 2024 annual report of the Company containing all applicable information required by the Listing Rules will be sent to the Shareholders and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.hankingmining.com in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
Revenue	*4*	**2,484,150**	3,028,155
Cost of sales		**(1,810,591)**	(2,406,205)
Gross profit		**673,559**	621,950
Other income	*5*	**12,855**	23,268
Other gains and losses	*6*	**(12,973)**	(40,334)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	*7*	**1,067**	601
Distribution and selling expenses		**(88,106)**	(97,951)
Administrative expenses		**(208,344)**	(224,665)
Research and development expenses		**(2,261)**	(2,981)
Other expense		**(4,686)**	(1,805)
Share of results of associates		**(4,473)**	(4,152)
Finance costs	*8*	**(67,518)**	(70,326)
Profit before tax	*9*	**299,120**	203,605
Income tax expense	*10*	**(123,571)**	(52,708)
Profit for the year		**175,549**	150,897

	NOTES	Year ended 31 December **2024** *RMB'000*	2023 *RMB'000*
Other comprehensive (expense) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(30,250)**	14,367
Impairment loss for receivables at fair value through other comprehensive income ("**FVTOCI**") included in profit or loss		**3,697**	1,949
Other comprehensive (expense) income for the year		**(26,553)**	16,316
Total comprehensive income for the year		**148,996**	167,213
Profit (loss) for the year attributable to:			
Owners of the Company		**180,941**	151,796
Non-controlling interests		**(5,392)**	(899)
		175,549	150,897
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**154,904**	167,727
Non-controlling interests		**(5,908)**	(514)
		148,996	167,213
Basic and diluted earnings per share (RMB cent per share)	*14*	**9.4**	7.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	31 December 2024 RMB'000	31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment		**654,085**	736,243
Goodwill		**209,132**	209,132
Intangible assets		**279,655**	564,565
Right-of-use assets		**194,559**	192,259
Interests in associates		**8,088**	18,536
Financial assets at fair value through profit or loss ("**FVTPL**")		**147**	2,563
Deferred tax assets		**212,949**	97,742
Deposits on acquisition of long-lived assets		**7,385**	12,581
Restricted deposits		**24,061**	37,347
Pledged bank deposits		**71,994**	71,994
Investment deposits		**–**	7,000
		1,662,055	1,949,962
Current assets			
Inventories		**261,314**	232,356
Trade and other receivables	*15*	**222,469**	188,307
Receivables at FVTOCI	*16*	**286,076**	394,685
Pledged bank deposits		**454,162**	572,944
Cash and cash equivalents		**358,128**	270,258
Amount due from a related party		**6,047**	6,047
		1,588,196	1,664,597
Assets classified as held for sale	*12*	**341,697**	–
		1,929,893	1,664,597
Current liabilities			
Trade, bills and other payables	*17*	**914,987**	1,100,073
Amount due to a related party		**6,950**	2,742
Borrowings	*18*	**895,857**	728,621
Lease liabilities		**2,196**	3,303
Contract liabilities		**65,712**	76,877
Tax liabilities		**107,046**	142,914
		1,992,748	2,054,530
Liabilities associated with assets classified as held for sale	*12*	**75,942**	–
		2,068,690	2,054,530
Net current liabilities		**(138,797)**	(389,933)
Total assets less current liabilities		**1,523,258**	1,560,029

	NOTES	31 December 2024 RMB'000	31 December 2023 RMB'000
Capital and reserves			
Share capital	*19*	**160,203**	160,203
Reserves		**1,274,588**	1,243,715
Equity attributable to owners of the Company		**1,434,791**	1,403,918
Non-controlling interests		**6,811**	46,639
Total equity		**1,441,602**	1,450,557
Non-current liabilities			
Borrowings	*18*	**–**	55,000
Lease liabilities		**–**	2,098
Provision		**29,096**	42,374
Other long-term liabilities		**–**	10,000
Deferred tax liabilities		**52,560**	–
		81,656	109,472
		1,523,258	1,560,029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

China Hanking Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands on 2 August 2010 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 30 September 2011. In the opinion of the directors of the Company (the "**Directors**"), Bisney Success Limited (incorporated in the British Virgin Islands ("**BVI**")), Tuochuan Capital Limited (incorporated in the BVI) and China Hanking (BVI) Limited (incorporated in the BVI), shareholders of the Company, are the ultimate parents of the Company as they are collectively controlled by the Company's ultimate controlling shareholders, Mr. Yang Jiye, who is also the chief executive officer ("**CEO**"), president and executive director of the Company, and Ms. Yang Min (collectively, the "**Controlling Shareholders**"). The address of the registered office of the Company in Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of principal place of business of the Company in Hong Kong is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Company is an investing holding company. During the year ended 31 December 2024, the Company and its subsidiaries (the "**Group**") are engaged in the following three principal activities:

(i) iron ore exploration, mining, processing and sale ("**Iron Ore Business**");

(ii) high-purity iron smelting, processing and sale ("**High-purity Iron Business**"); and

(iii) gold exploration, mining, processing and sale ("**Gold Business**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year 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 IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 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 IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 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 IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 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 IFRS 18 on the Group's consolidated financial statements.

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB. 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 of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going Concern Assessment

The Directors have given careful consideration to the going concern of the Group in light of the fact that as at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB138,797,000. In addition, as at 31 December 2024, the Group had capital commitments contracted for but not provided in the consolidated financial statements amounting to RMB41,544,000.

As at 31 December 2024, the Group had available conditional banking facilities of RMB563,430,000 ("**Conditional Facilities**"). The utilisation of these Conditional Facilities are subject to approval by the banks on a case-by-case basis. The Directors are confident that the Group would be successful in obtaining approval in respect of these Conditional Facilities according to its historical successful experience and the relevant terms and conditions to drawdown. The Directors are also confident that the Group's bank borrowings can be successfully renewed upon maturity in view of the Group's historical successful experience in rolling over the borrowing upon expiration. Subsequent to the end of the year ended 31 December 2024,the Group has obtained additional conditional banking facilities of RMB300,000,000, and bank borrowings in the amount of RMB187,000,000 has been successfully renewed.

In light of the above, the management of the Group has prepared the cash flow forecast covering the period for the next twelve months for the purpose of going concern assessment. In the opinion of the Directors, together with the other financial resources available to the Group, including cash and cash equivalents on hand, the maturity profile and the successful rate applied in rolling over the bank borrowing, and the anticipated cash flow from the operations; the Group has sufficient working capital for its present requirements, that is for at least the next twelve months commencing from the end of the reporting period. Hence, the consolidated financial statements have been prepared on a going concern basis.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

A. *For the year ended 31 December 2024*

	For the year ended 31 December 2024			
	Iron Ore Business	High-purity Iron Business	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of goods (recognised at a point in time)				
Iron ore concentrates	**200,318**	**–**	**–**	**200,318**
High-purity iron	**–**	**2,252,706**	**–**	**2,252,706**
Building materials	**–**	**–**	**2,287**	**2,287**
Raw and leftover materials	**1,473**	**23,409**	**1,590**	**26,472**
	201,791	**2,276,115**	**3,877**	**2,481,783**
Rendering of service (recognised over time)				
Processing of iron ore	**2,367**	**–**	**–**	**2,367**
Total	**204,158**	**2,276,115**	**3,877**	**2,484,150**
Geographical markets				
Mainland China	**204,158**	**2,276,115**	**3,877**	**2,484,150**

B. For the year ended 31 December 2023

	For the year ended 31 December 2023			
	Iron Ore Business	High-purity Iron Business	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of goods (recognised at a point in time)				
Iron ore concentrates	245,680	–	–	245,680
High-purity iron	–	2,774,630	–	2,774,630
Building materials	–	–	3,388	3,388
Raw and leftover materials	1,060	3,190	207	4,457
Total	246,740	2,777,820	3,595	3,028,155
Geographical markets				
Mainland China	246,740	2,777,820	3,595	3,028,155

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of goods

The Group produces and sales iron ore concentrates, high-purity iron, building materials and raw and leftover materials directly to customers.

Revenue is recognised when control of the goods has transferred, being the time when the goods are delivered and accepted. Following acceptance, the customers have the ability to direct the use of, and obtain substantially all the benefits from the goods. Therefore, the Directors have justified that the performance obligation in respect of the sales of goods is satisfied when the goods are accepted by the customers and recognised revenue at a point in time. The normal credit term is 7 days for iron ore concentrates, 60 days for high-purity iron and 30 days for building materials upon acceptance. The Group may request certain of its customers to place up to 100% of the contract sum as deposits in respect of sales of iron ore concentrates and high-purity iron, depending on their background, historical experience and business relationship. The deposit received is accounted for as "contract liabilities". The related performance obligation is expected to be satisfied within one year.

Rendering of service

The Group provides a service of iron ore processing to Fushun Majuncheng Iron Mine Co., Ltd.* (撫順市馬郡城鐵礦有限責任公司), a related party of the Group. The Group allows a credit period of 30 days to its customer of processing of iron ore.

Revenue from provision of such service is charged on a per-ton basis and is recognised at over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives and consumes the benefits provided by the Group when the Group renders the service.

5. OTHER INCOME

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Bank interest income	**10,221**	20,970
Government grants	**1,052**	1,098
Rental income	**1,200**	1,200
Others	**382**	–
	12,855	23,268

6. OTHER GAINS AND LOSSES

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Impairment loss on property, plant and equipment	**–**	(11,807)
Impairment loss on interest in an associate	**(5,975)**	(19,252)
Fair value (loss) gain on financial assets at FVTPL	**(907)**	384
Net foreign exchange loss	**(54)**	(1,825)
Loss on disposal/write off of property, plant and equipment	**(3,981)**	(199)
Compensation due to late settlement of consideration payable	**–**	(2,000)
Others	**(2,056)**	(5,635)
	(12,973)	(40,334)

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Impairment (reversed) losses recognised in respect of:		
– trade receivables	**(1,131)**	(5,336)
– other receivables	**(3,633)**	2,289
– pledged bank deposits	**–**	497
– receivables at FVTOCI	**3,697**	1,949
	(1,067)	(601)

8. FINANCE COSTS

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Interests on bank borrowings	**41,877**	41,197
Interests on other borrowings	**1,181**	–
Interests on bills discounted	**22,841**	27,188
Interests on lease liabilities	**176**	298
Interests on rehabilitation provision	**1,443**	1,443
Others	**–**	200
	67,518	70,326

9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting) the following items:

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Auditor's remuneration		
– Audit services	**3,700**	3,500
– Other services	**681**	215
	4,381	3,715
Cost of inventories recognised as an expense *(note)*	**1,698,170**	2,322,271
Depreciation of property, plant and equipment	**104,951**	126,479
Amortisation of intangible assets	**19,931**	20,833
Depreciation of right-of-use assets	**14,821**	16,650
Total depreciation and amortisation	**139,703**	163,962
Capitalised in inventories	**(116,085)**	(140,762)
	23,618	23,200
Analysed as:		
– charged in research and development expenses	**1**	20
– charged in administrative expenses	**23,617**	23,180
	23,618	23,200

Note: The amount included write-down of inventories of nil (2023: RMB785,000) for the year ended 31 December 2024.

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Salaries, allowances and benefits	**180,332**	193,215
Bonus	**9,685**	8,062
Retirement benefit scheme contributions	**13,414**	15,391
Share-based payments	**4,566**	2,656
Total staff costs (including Directors)	**207,997**	219,324
Capitalised in inventories and exploration and evaluation assets	**(91,247)**	(89,831)
	116,750	129,493
Analysed as:		
– charged in research and development expenses	**49**	802
– charged in distribution and selling expenses	**1,296**	6,893
– charged in administrative expenses	**115,405**	121,798
	116,750	129,493
Research and development cost charged in profit or loss analysed as:		
– depreciation and amortisation	**1**	20
– raw materials consumed	**6**	876
– staff costs	**49**	802
– technical service fee	**2,201**	1,066
– others	**4**	217
	2,261	2,981

10. INCOME TAX EXPENSE

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**114,567**	106,476
Withholding tax	**7,260**	7,105
Under provision in prior years	**4,737**	1,248
	126,564	114,829
Deferred tax:		
Current year	**(7,192)**	(38,760)
Write-down of previously recognised deferred tax	**4,199**	–
Attributable to changes in tax rate	**–**	(23,361)
	(2,993)	(62,121)
Total income tax expense recognised in the current year	**123,571**	52,708

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

In 2022, Aoniu Mining obtained "High Technology Enterprise" status for three years, qualifying it for a preferential tax rate of 15% from 2022 to 2024, subject to fulfilment of relevant qualification criteria. This year, the management reassessed the requirements for High Technology Enterprise to determine its eligibility and concluded that, based on the relevant qualification criteria, it would be more appropriate to apply the standard tax rate of 25% instead of the preferential tax rate.

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

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

The income tax expense for the years can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
Profit before tax	**299,120**	203,605
Tax at the PRC income tax rate of 25%	**74,780**	50,901
Tax effect of expenses not deductible for tax purpose	**9,490**	1,970
Tax effect of research and development expenses that are additionally deducted	**(455)**	(519)
Tax effect of deductible temporary differences not recognised	**(1,655)**	6,171
Tax effect of tax losses not recognised	**14,627**	10,243
Utilisation of deductible temporary difference and tax losses previously not recognised	**–**	(1,050)
Change in opening deferred tax asset resulting from a change in applicable tax rate	**–**	(23,361)
Under provision in respect of prior years	**4,737**	1,248
Write-down of previously recognised deferred tax	**4,199**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(565)**	–
Deferred tax adjustment on investment in Disposal Group	**11,153**	–
Withholding tax	**7,260**	7,105
Income tax expense for the year	**123,571**	52,708

11. ACQUISITION OF SUBSIDIARIES

(a) During the year ended 31 December 2024

(i) Acquisition of Shuangfu Mining

On 5 February 2024, Aoniu Mining, a wholly owned subsidiary of the Company, acquired a 100% equity interest in Shuangfu Mining for RMB21,000,000, of which a deposit of RMB7,000,000 was paid as of 31 December 2023. Following completion of the acquisition, Shuangfu Mining become a wholly owned subsidiary of Aoniu Mining.

As the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, with remaining balance of the purchase price allocated to exploration and evaluation assets at the date of acquisition.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	146
Intangible assets - exploration and evaluation assets	21,118
Other payables	(264)
Net assets	21,000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Net assets acquired	21,000

Net cash outflows arising on acquisition of Shuangfu Mining

	RMB'000
Consideration paid in cash in 2023	7,000
Consideration paid in cash in 2024	14,000
Less: cash and cash equivalents acquired	(146)
	20,854

(ii) Acquisition of non-controlling interest of Cygnet Gold

On 25 October 2024, Watkins Gold, a wholly-owned subsidiary of the Company, acquired an additional 36.7% equity interest in Cygnet Gold for a consideration of AUD19,380,000 (equivalent to RMB92,311,000) from non-controlling interest. Watkins Gold's direct equity interest in Cygnet Gold increased from 56.7% to 93.4% as at 31 December 2024. The excess of consideration paid over the value of the non-controlling interest of RMB58,391,000, was taken to other reserve in the consolidated statement of changes in equity.

(b) During the year ended 31 December 2023

On 22 June 2023, Watkins Gold, a wholly-owned subsidiary of Hanking Australia, acquired a 46.8% equity interest in Cygnet Gold for an aggregate consideration of RMB45,458,000, which included an initial deposit of RMB7,542,000 paid in the year ended 31 December 2022. On 4 October 2023, Watkins Gold acquired a further 9.9% equity interest of Cygnet Gold for a consideration of RMB23,465,000. Following completion of three acquisitions, Cygnet Gold became a 56.7% owned subsidiary of Watkins Gold.

Cygnet Gold holds a number of mining and exploration tenements for North Southern Cross (NSX) gold projects including Golden Pig and Copperhead.

The Group elected to apply the optional concentration test in accordance with IFRS 3 "Business Combinations" and concluded that all the tenements and attached capitalised expenditures are similar in nature and have similar risks associated with managing assets.

Consequently, the Group determined that substantially all of the fair value of the gross assets (excluding cash and cash equivalents) acquired is concentrated in a group of similar identifiable assets and concluded that the acquired set of activities and assets is not a business.

Assets and liabilities recognised at the date of acquisition

	RMB'000
Cash and cash equivalents	24,630
Trade and other receivables	30
Intangible assets	84,440
Liabilities	–
Net assets	109,100
Consideration paid in cash in 2022	7,542
Consideration paid in cash in 2023	61,381
Non-controlling interest	40,177
Net assets acquired	109,100

Net cash outflows arising on acquisition of Cygnet Gold

	RMB'000
Consideration paid in cash in 2022	7,542
Consideration paid in cash in 2023	61,381
Less: cash and cash equivalents acquired	(24,630)
	44,293

12. ASSETS CLASSIFIED AS HELD FOR SALE

On 1 July 2024, HGM Resources Pty Ltd, one of the subsidiaries of the Company signed a share sale agreement for disposing 100% of the equity interest in Primary Gold Pty Ltd and its wholly owned subsidiary Primary Minerals Pty Ltd, (the "**Disposal Group**") (the "**Disposal**"). Pursuant to the share sale agreement, the Company conditionally agreed to dispose, and the purchaser, Huineng Gold Pty Ltd ("**Huineng Gold**"), conditionally agreed to purchase 100% of the equity interest in Primary Gold Pty Ltd at a purchase price of AUD300 million plus the environmental bond amount of AUD3,116,653 (equivalent to RMB1,444,351,000 in aggregate). This diposal was offered by the purchaser following a competitive global sales process and based on an arm's length negotiation. Completion is expected to occur within 12 months and is conditional upon the satisfaction of the key conditions of approval from the Australia Foreign Investment Review Board and the Chinese National Development and Reform Commission.

The assets and liabilities attributable to the Disposal Group, which are expected to be sold within twelve months, have been classified as assets held for sale and are presented separately in the consolidated statement of financial position. The Disposal Group is included in the Group's Gold Business for segment reporting purposes.

Since the net proceeds from the disposal are expected to exceed the net carrying amount of the Disposal Group, no impairment loss is required to be recognise.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are as follows:

	RMB'000
Property, plant and equipment	13,791
Intangible assets	313,643
Restricted deposits	12,284
Other receivables	162
Cash and cash equivalents	1,817
Total assets classified as held for sale	341,697
Provisions	12,496
Deferred tax liabilities	59,304
Trade and other payables	4,142
Total liabilities classified as held for sale	75,942

13. DIVIDENDS

	Year ended	
	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final - HKD0.02 (2022: nil) per share *(note)*	**34,986**	–
2024 Interim - HKD0.02 (2023: HKD0.02) per share *(note)*	**35,220**	35,307
	70,206	35,307

Note:

During the current year, a dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,706,000) in aggregate in respect of the year ended 31 December 2023 was declared, among which HKD38,409,000 (equivalent to RMB34,986,000) (net of the dividend of HKD791,000 (equivalent to RMB720,000) attributable to the restricted shares held for the restricted share award scheme) was paid (2023: no dividends in respect at the end of the year ended 31 December 2022 was declared and paid to the owners of the Company) to the owners of the Company whose names appear in the Register of Members on 7 June 2024. An interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,945,000) in aggregate was declared, among which HKD38,409,000 (equivalent to RMB35,220,000) (net of the dividend of HKD791,000 (equivalent to RMB725,000) attributable to the restricted shares held for the restricted share award scheme) was paid (2023: interim dividend of HKD0.02 per share amounting to HKD39,200,000 (equivalent to RMB35,980,000) in aggregate was declared, among which HKD38,467,000 (equivalent to RMB35,307,000) (net of the dividend of HKD733,000 (equivalent to RMB673,000) attributable to the restricted shares held for the restricted share award scheme) was paid) to the owners of the Company whose names appear in the Register of Members on 9 October 2024.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HKD0.02 (2023: HKD0.02), per ordinary share, in an aggregate amount of HKD39,200,000 (equivalent to RMB36,301,000) (2023: HKD39,200,000 (equivalent to RMB35,706,000)), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general annual meeting.

14. EARNINGS PER SHARE

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

	Year ended	
	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company, for the purposes of basic and diluted earnings per share	**180,941**	151,796

	Number of shares	
	31/12/2024	31/12/2023
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,920,461,000**	1,925,763,000

There is no ordinary shares repurchased during the current year.

The weighted average number of ordinary shares for the year ended 31 December 2023 for the purpose of basic and diluted earnings per share has been adjusted for the weighted average effect of 8,476,000 ordinary shares repurchased as restricted shares held for strategic incentive award scheme.

15. TRADE AND OTHER RECEIVABLES

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Trade receivables		
– Related parties	**2,675**	–
– Third parties	**171,942**	106,598
Less: Allowance for credit loss	**(18,318)**	(19,712)
	156,299	86,886
Other receivables		
– Advances to suppliers	**21,040**	24,713
– Interest receivable	**1,800**	–
– Deposits	**2,811**	2,811
– Deposit for resource tax	**11,756**	9,156
– Other tax recoverable	**3,313**	6,385
– Value-added tax recoverable	**19,093**	20,254
– Staff advance	**1,497**	2,453
– Prepaid expense	**4,633**	3,426
– Amount due from an independent third party *(note)*	**–**	36,600
– Others	**14,351**	13,522
	80,294	119,320
Less: Allowance for credit loss	**(13,962)**	(17,899)
Total other receivables	**66,332**	101,421
Total trade and other receivables	**222,631**	188,307
Less:		
Other receivables of the Disposal Group eliminate upon transfer to assets classified as held for sale	**(162)**	–
	222,469	188,307

Note:

The amount of RMB36,600,000 on 31 December 2023 represents a short term advance to a Group's major supplier, which has been repaid in full during the current year.

The Group allows an average credit period of 7 days (2023: 7 days) to its customers of iron ore concentrates, 60 days (2023: 60 days) to its customers of high-purity iron, 30 days (2023: 30 days) to its customers of building materials and 30 days to its customer of processing of iron ore. However, upon maturity of the credit period and under certain circumstances, the Group would further negotiate with its customers and may consider to extend the repayment date, based on its customer's history of payments and credit quality, on a case-by-case basis.

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB36,726,000 (2023: RMB12,322,000) which are past due as at the reporting date. Based on the historical settlement pattern, industry practice and the Group's historical actual loss experience, the management of the Group considered that the risk of default would become high when those debtors had been past due over 1 year.

The following is an aged analysis of trade receivables, net of allowance for credit loss, presented based on the invoice date.

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
– Within 7 days	**72,975**	72,193
– 8 days to 30 days	**2,266**	945
– 31days to 60 days	**45,308**	11,764
– 61days to 90 days	**14,545**	1,117
– 91 days to 1 year	**21,205**	867
	156,299	86,886

Movement of impairment on trade receivables for both years under IFRS 9:

	Lifetime ECL not credit-impaired *RMB'000*	**Lifetime ECL credit-impaired** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023	3,074	21,974	25,048
– Impairment losses recognised	1,907	423	2,330
– Impairment losses reversed	(2,577)	(5,089)	(7,666)
– Transfer to credit-impaired	(10)	10	–
As at 31 December 2023	2,394	17,318	19,712
– Impairment losses recognised	2,723	1,086	3,809
– Impairment losses reversed	(1,564)	(3,376)	(4,940)
– Write-off	–	(263)	(263)
– Transfer to credit-impaired	(1)	1	–
As at 31 December 2024	3,552	14,766	18,318

Movement of allowance for other receivables for both years under IFRS 9:

	12m ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	192	5,859	10,080	16,131
– Impairment losses recognised	–	1,521	1,169	2,690
– Impairment losses reversed	–	(401)	–	(401)
– Write-off	–	–	(521)	(521)
– Transfer to credit-impaired	(192)	192	–	–
As at 31 December 2023	–	7,171	10,728	17,899
– Impairment losses recognised	–	39	322	361
– Impairment losses reversed	–	(3,994)	–	(3,994)
– Write-off	–	–	(304)	(304)
As at 31 December 2024	–	3,216	10,746	13,962

16. RECEIVABLES AT FVTOCI

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Receivables at FVTOCI comprise:		
Bills receivables	**286,076**	394,685

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

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
– Within 6 months	**286,076**	365,210
– 6 months to 1 year	**–**	29,475
	286,076	394,685

Movement of allowance for Receivables at FVTOCI for both years under IFRS 9:

	12m ECL *RMB'000*	**Total** *RMB'000*
As at 1 January 2024	1,949	1,949
– Impairment losses recognised	5,646	5,646
– Impairment losses reversed	(1,949)	(1,949)
As at 31 December 2024	5,646	5,646

16A. TRANSFERS OF FINANCIAL ASSETS

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

The following were the Group's financial assets as at 31 December 2024 and 2023 that were transferred to banks, suppliers or non-bank financial institutions by discounting/endorsing or factoring on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of the receivables and has recognised the cash received as (i) other borrowings or bank borrowings from factoring of the trade receivables or discounting of the bills and (ii) as trade payables from endorsement of the bills with full recourse. The trade receivables are carried at amortised cost and the bills receivables are carried at fair value in the consolidated statement of financial position.

As at 31 December 2024

	Factoring of trade receivables to non-bank financial institutions with full recourse *RMB'000*	**Bills discounted to banks that are not derecognised in their entirety** *RMB'000*	**Bills endorsed to suppliers that are not derecognised in their entirety** *RMB'000*	**Total** *RMB'000*
Carrying amount of transferred assets	49,600	87,580	161,762	298,942
Carrying amount of associated liabilities	(49,600)	(87,580)	(161,762)	(298,942)
Net position	–	–	–	–

As at 31 December 2023

	Bills discounted to banks that are not derecognised in their entirety	Bills endorsed to suppliers that are not derecognised in their entirety	Total
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of transferred assets	97,547	204,104	301,651
Carrying amount of associated liabilities	(97,547)	(204,104)	(301,651)
Net position	–	–	–

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

As of 31 December 2024 the Group had derecognised bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB249,342,000 (2023:RMB301,651,000). These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group to continued the involvement in these financial assets.

17. TRADE, BILLS AND OTHER PAYABLES

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

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Trade payables *(note a)*		
– Within 15 days	**110,825**	95,180
– 15 days to 90 days	**67,370**	113,452
– 91 days to 1 year	**10,347**	29,743
– 1 year to 2 years	**1,356**	1,380
– 2 years to 3 years	**191**	1,548
– Over 3 years	**5,302**	4,349
	195,391	245,652
Bills payables under note financing arrangements *(note b)*	**594,578**	692,750

	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Other payables		
Advance receipt of value-added tax from customers	**8,575**	10,041
Other tax payable	**14,791**	33,792
Payable for acquisition of property, plant and equipment	**20,808**	35,617
Outsourced service payable	**14,781**	12,858
Transportation fee payable	**17,155**	22,715
Accrued expenses	**2,115**	4,526
Salary and bonus payables	**15,273**	15,535
Interest payable	**756**	286
Dividend payable	**2,684**	2,173
Refundable deposits	**5,662**	6,223
Payable for mining rights	**10,000**	10,000
Advance receipt from Huineng Gold relating to the Disposal	**8,464**	–
Others	**8,096**	7,905
	129,160	161,671
Total trade, bills and other payables	**919,129**	1,100,073
Less:		
Trade and other payables of the Disposal Group eliminate upon transfer to liabilities associated with assets classified as held for sale	**(4,142)**	–
	914,987	1,100,073

Notes:

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

(b) Certain of the Company's subsidiaries received bills issued by other Group entities in respect of certain intra-group transactions The receiving entities of the Group had discounted such bills in full to bank or non-bank institutions to obtain financing. During the years ended 31 December 2024, such internally issued bills which had been discounted to banks or non-bank institutions amounted to RMB1,130,111,000 (2023: RMB2,653,728,000), which also represented the aggregate amount of the Group's underlying intragroup transactions settled by bills. The cash flows of such transactions have been presented in cash flow statement as financing activities.

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

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Within 6 months	**594,578**	606,750
6 months to 1 year	**–**	86,000
	594,578	692,750

18. BORROWINGS

	31 December 2024 *RMB'000*	31 December 2023 *RMB'000*
Bank loans	**846,257**	783,621
Other loans (note i)	**49,600**	–
	895,857	783,621
Fixed-rate borrowings	**895,857**	783,621
Secured and guaranteed	**508,228**	487,500
Secured and unguaranteed	**225,629**	184,121
Unsecured and guaranteed	**160,000**	110,000
Unsecured and unguaranteed	**2,000**	2,000
	895,857	783,621
The carrying amounts of the above borrowings are repayable (note ii):		
Within one year	**895,857**	728,621
More than one year, but not more than two years	**–**	55,000
	895,857	783,621

Notes:

i. Other loans were arising from factoring of trade receivables to non-bank financial institutions with full recourse. Details of the disclosures are set out in note 16A.

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

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

	31 December 2024	31 December 2023
	%	*%*
Fixed-rate borrowings	**3.45 - 8.60**	3.45 - 8.60

The secured and guaranteed bank borrowings were guaranteed by the Controlling Shareholders and the companies controlled by them. Among the secured and guaranteed bank borrowings, RMB 388,000,000 (31 December 2023: RMB366,000,000) were secured by certain property, plant and equipment, mining rights, right-of-use assets and shares of subsidiaries of the Group, and RMB 120,228,000 (31 December 2023: RMB121,500,000) were secured by certain assets of the companies controlled by the Controlling Shareholders and shares of subsidiaries of the Group.

The secured and unguaranteed bank borrowing of RMB87,900,000 (31 December 2023: RMB85,900,000) are secured by pledged bank deposits and RMB88,129,000 (31 December 2023: RMB98,221,000) are secured by receivables at FVTOCI of the Group.

The secured and unguaranteed other borrowing of RMB49,600,000 (31 December 2023: nil) are secured by trade receivables.

The unsecured and guaranteed bank borrowings of approximately RMB160,000,000 (31 December 2023: RMB110,000,000) at 31 December 2024 were guaranteed by subsidiaries of the Group, the Controlling Shareholders and the companies controlled by them.

19. SHARE CAPITAL

Details of movement in share capital of the Company are as follows:

	Number of shares		**Share capital**	
	2024	2023	**2024**	2023
	'000	*'000*	***HKD'000***	*HKD'000*
Ordinary shares of HKD0.1 each				
Authorised				
At 1 January and 31 December	**10,000,000**	10,000,000	**1,000,000**	1,000,000

	Number of shares		**Share capital**	
	2024	2023	**2024**	2023
	'000	*'000*	***RMB'000***	*RMB'000*
Issued and fully paid				
At 1 January and 31 December	**1,960,000**	1,960,000	**160,203**	160,203

20. RESTRICTED SHARES HELD FOR STRATEGIC INCENTIVE AWARD SCHEME

On 29 August 2019, the Board resolved to adopt a restricted share award scheme (the "**Scheme**") whereby awards of ordinary shares (the "**Shares**") of the Company may be made to eligible participants (the "**Selected Participants**"), pursuant to which existing ordinary shares of the Company will be purchased by a trustee from the market out of cash contributed by the Group and be held in trust for the relevant Selected Participants until such Shares are vested with the relevant Selected Participants in accordance with the provisions of the Scheme.

The Scheme shall be effective from 29 August 2019 and shall continue in full force and effect for a term of 10 years or until such date of early termination as determined by the Board, whichever is the earlier, after which period no further award shares shall be granted or accepted, but the provisions of the Scheme shall remain in full force and effect in order to give effect to the vesting of award shares granted and accepted prior to the expiration or termination of the Scheme.

There is no ordinary shares repurchased during the current year.

From May to November 2023, the trustee of the Company's Scheme purchased on the Stock Exchange a total of 8,476,000 ordinary shares at a total consideration of approximately RMB5,518,000 pursuant to the terms of the trust deed under the Scheme.

As at 31 December 2024, no award shares have been granted to any Selected Participants pursuant to the Scheme.

APPRECIATION

The Board would like to express sincere gratitude to all the employees of the Group for their persistent effort in working, which contributed to the competitive advantage of the Group among the challenging market. We also would like to express our thanks to the government, the Shareholders and other related parties for their consistent support and trust to the Group.

By order of the Board
China Hanking Holdings Limited
Yang Jiye
Chairman and executive Director

Shanghai, the PRC, 20 March 2025

As at the date of this announcement, the executive Directors are Mr. Yang Jiye, Mr. Zheng Xuezhi, Dr. Qiu Yumin and Ms. Zhang Jing; the non-executive Directors are Mr. Xia Zhuo and Mr. Zhao Yanchao; and the independent non-executive Directors are Mr. Wang Ping, Dr. Wang Anjian and Mr. Zhao Bingwen.