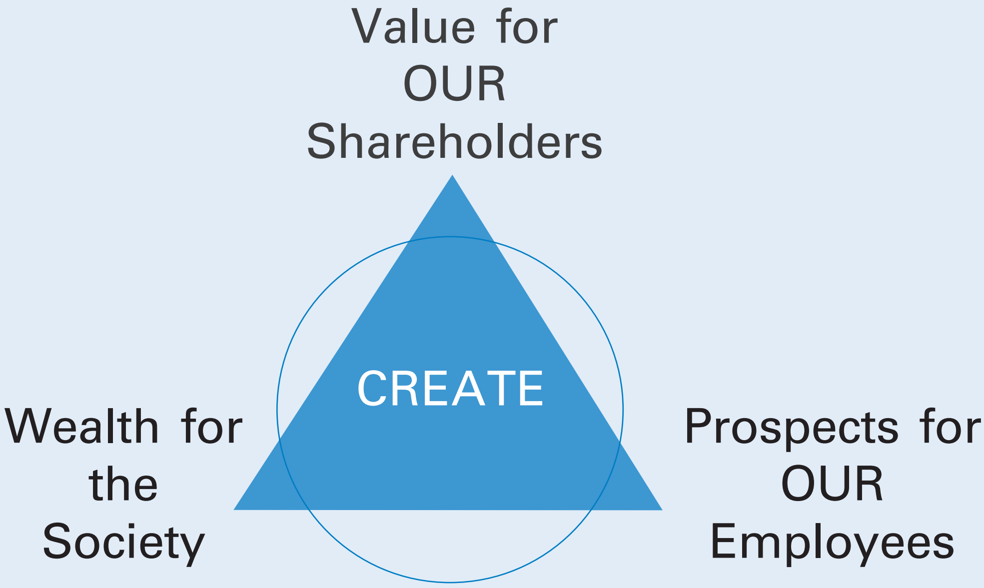
奧威控股有限公司
AOWEI HOLDING LIMITED

(Incorporated in the British Virgin Islands and continued in the Cayman Islands with limited liability)
(formerly known as Hengshi Mining Investments Limited 恒實礦業投資有限公司)

Stock Code: 1370

2026
INTERIM REPORT

CORE VALUE


Value for
OUR
Shareholders
CREATE
Wealth for
the
Society
Prospects for
OUR
Employees

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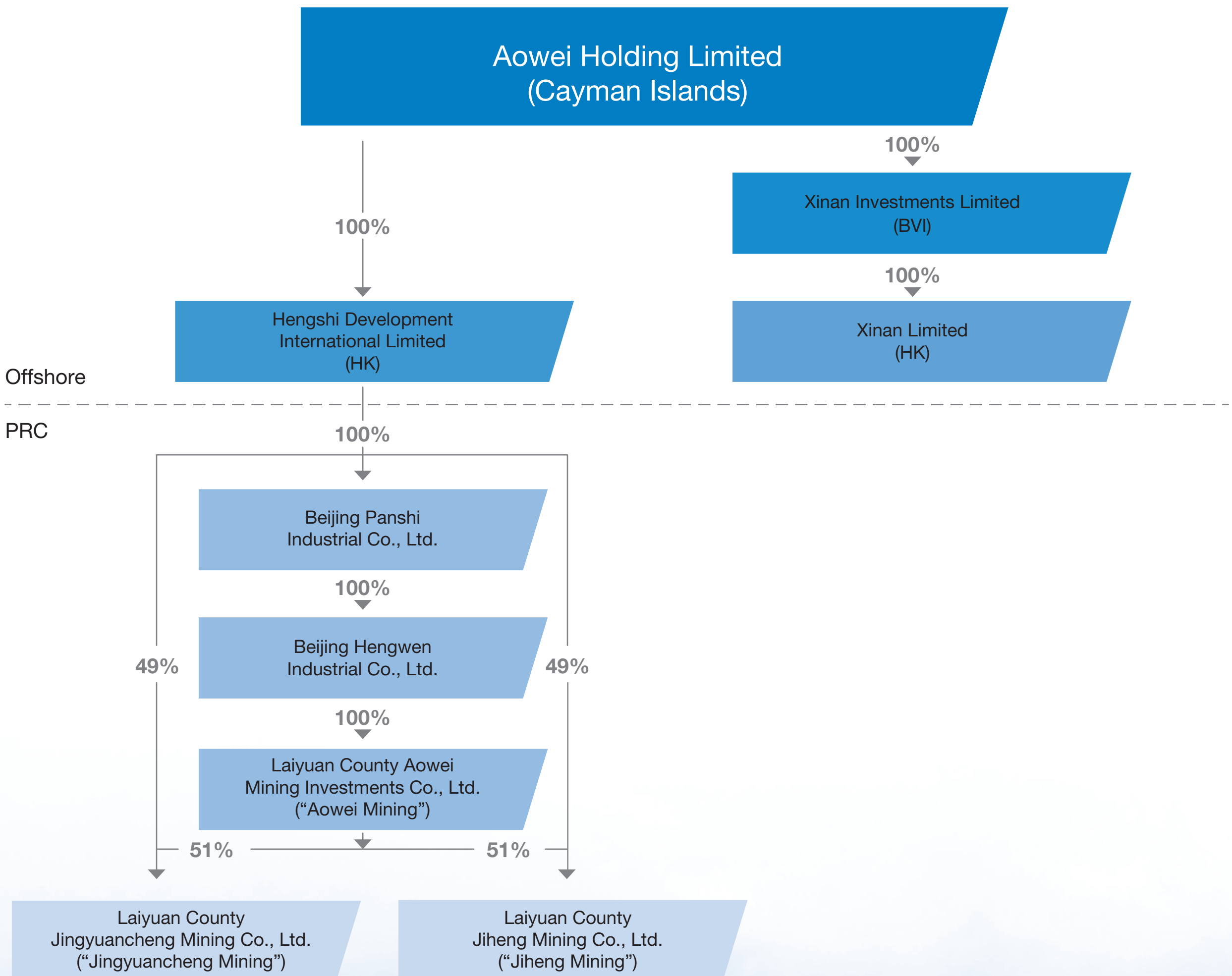
CORPORATE INFORMATION

Aowei Holding Limited (formerly known as Hengshi Mining Investments Limited) (the "**Company**") was initially incorporated in the British Virgin Islands under the laws of the British Virgin Islands on 14 January 2011 and redomiciled to the Cayman Islands on 23 May 2013. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 November 2013 (stock code: 1370). On 28 November 2017, the name of the Company was changed from Hengshi Mining Investments Limited to Aowei Holding Limited.

The Company and its subsidiaries (collectively, the "**Group**" or "**we**" or "**our**") are principally engaged in (i) the exploration, mining, processing and trading of iron ore products and sales products including iron ores, preliminary concentrates and iron ore concentrates; (ii) the green construction materials, machine crushed construction sand and gravel materials production and sales business in the People's Republic of China (the "**PRC**" or "**China**"). The Group owns and operates three mines in Hebei Province, which has the largest steel production and iron ore consumption volumes in China.



CORPORATE INFORMATION

COMPANY'S STATUTORY CHINESE NAME

奧威控股有限公司

COMPANY'S STATUTORY ENGLISH NAME

Aowei Holding Limited

STOCK CODE

1370

REGISTERED OFFICE

P.O. Box 309
Ugland House Grand Cayman KY1-1104
Cayman Islands

HEADQUARTERS IN THE PRC

No. 91 Guangping Avenue
Laiyuan County
Baoding City 074300
Hebei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

AUTHORIZED REPRESENTATIVES

Mr. Li Yanjun
Ms. Kwong Yin Ping, Yvonne

COMPANY SECRETARY

Ms. Kwong Yin Ping, Yvonne

AUDITOR

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

CORPORATE INFORMATION

HONG KONG SHARE REGISTRAR

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

INVESTOR INQUIRES

Website: www.aoweiholding.com
E-Mail: ir@aow.com.cn

DIRECTORS

Executive Directors

Mr. Li Yanjun *(Chairman)*
Mr. Li Ziwei *(Chief Executive Officer)*
Mr. Zuo Yuehui *(Chief Financial Officer)*
Mr. Sun Tao
Ms. Chen Lixian

Independent Non-executive Directors

Mr. Ge Xinjian
Mr. Meng Likun
Dr. Wong Sze Lok

AUDIT COMMITTEE

Dr. Wong Sze Lok *(Chairman)*
Mr. Meng Likun
Mr. Ge Xinjian

REMUNERATION COMMITTEE

Mr. Meng Likun *(Chairman)*
Mr. Li Ziwei
Mr. Ge Xinjian

NOMINATION COMMITTEE

Mr. Li Yanjun *(Chairman)*
Ms. Chen Lixian
Mr. Meng Likun
Dr. Wong Sze Lok
Mr. Ge Xinjian

FINANCIAL HIGHLIGHTS

The revenue of the Group for the period ended 30 June 2026 (the "**Reporting Period**") was approximately RMB310.4 million, representing an increase of approximately RMB37.3 million or 13.7% as compared with the corresponding period last year.

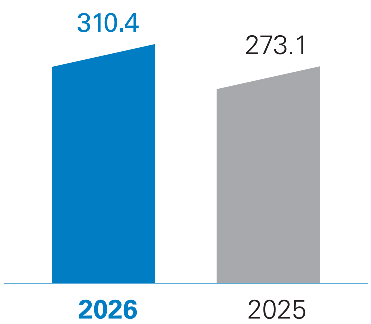
The Group's gross profit was approximately RMB50.5 million for the Reporting Period, representing an increase of approximately RMB45.7 million or 952.1% as compared with the corresponding period last year; the Group's gross profit margin for the Reporting Period was approximately 16.3%.

For the Reporting Period, the loss attributable to the equity shareholders of the Company was approximately RMB12.4 million, the loss for the corresponding period last year was approximately RMB75.6 million.

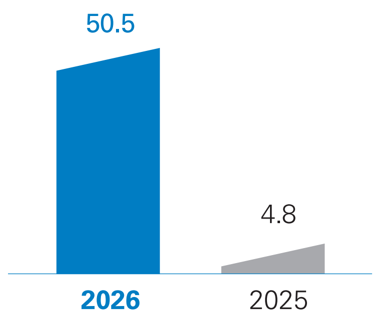
The Group's basic loss per share attributable to equity shareholders for the Reporting Period was RMB0.01 per share, as compared to the basic loss per share of RMB0.05 per share for the corresponding period of last year.

The board (the "**Board**") of directors (the "**Directors**") of the Company does not recommend the payment of any interim dividend for the Reporting Period.

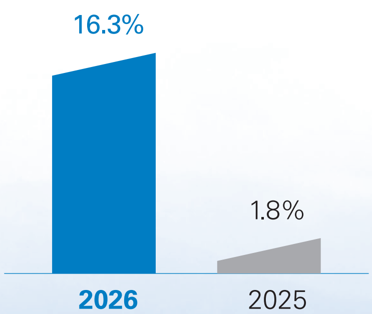
REVENUE (RMB million)
for the six months ended 30 June



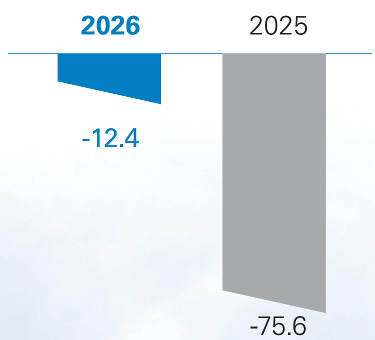
GROSS PROFIT (RMB million)
for the six months ended 30 June



GROSS PROFIT MARGIN
for the six months ended 30 June



LOSS FOR THE PERIOD (RMB million)
for the six months ended 30 June



MANAGEMENT DISCUSSION AND ANALYSIS

IRON ORE BUSINESS

Market Review

In the first half of 2026, the domestic iron ore market recorded a broad volatile trend of rising initially and falling afterwards, with an overall loose supply-demand balance. Price movements were jointly affected by multiple factors, including changes in international supply, shipping costs, domestic steel consumption demand and industrial regulatory policies.

During the early stage of the Reporting Period, shipments from major global mines tightened periodically. International geopolitical tensions pushed up global oil prices and shipping freight rates, forming solid cost support for iron ore prices. Meanwhile, improving domestic macroeconomic sentiment and a phase-up recovery in steel export demand lifted market confidence, driving iron ore prices to trend higher amid volatility. According to public statistics, the Platts 62% Iron Ore Index reached a peak of USD112.35 per ton in the Reporting Period.

In the mid-to-late period of the Reporting Period, the market supply-demand fundamentals weakened, and iron ore prices trended downwards with continuous fluctuations. On the supply side, shipments from major overseas mines rose steadily and new production capacity from secondary mines continued to ramp up, leading to ample global iron ore supply and sustained high inventory levels at domestic ports. On the demand side, the continued implementation of domestic crude steel output control policies, coupled with sluggish end-market steel demand from the real estate and manufacturing sectors, squeezed steel mill margins and reduced hot metal output, resulting in a continuous contraction in iron ore procurement demand. As international geopolitical risks eased and oil prices and shipping costs retreated, the fundamental support for iron ore prices further weakened. Affected by multiple factors, the Platts 62% Iron Ore Index dropped to a trough of USD96.85 per ton during the Reporting Period.

Overall, the iron ore market witnessed relatively mild volatility in the first half of 2026, characterised by obvious supply surplus. The overall price centre moved down compared with the same period in 2025. The future market trend will be primarily determined by the recovery of domestic end-user demand and the direction of industrial regulatory policies.

Business Review

The macroeconomic environment remained challenging in the first half of 2026. The iron ore market faced overall ample supply and weakening prices amid fluctuations, while the recovery of downstream end-market demand fell short of expectations. Coupled with the continuous implementation of crude steel regulatory policies, operational pressures across the industry persisted. In response to the complex market conditions, the Group continued to deepen its cost reduction and efficiency enhancement initiatives and adhered to prudent operational principles. Through optimising internal management structures, upgrading production technologies and processes, and implementing refined operational management, the Group effectively reduced operating expenditures, improved production and operational efficiency, and further strengthened risk management and control capabilities, thereby safeguarding the stable operational performance of the Group.

The Group recorded a loss for the Reporting Period; however, the loss narrowed significantly compared with the corresponding period of last year. This was mainly attributable to the increase in the selling price of iron-ore concentrates during the Reporting Period, as well as the Group's continuous enhancement of cost control by cutting various expenditures including raw material procurement and transportation costs, which led to a rise in gross profit margin. During the Reporting Period, the Group produced approximately 359.4 thousand tonnes of iron-ore concentrates, representing an increase of about 9.8% as compared with the corresponding period of last year. Sales volume of iron-ore concentrates achieved for the Reporting Period stood at approximately 358.2 thousand tonnes, an increase of around 7.6% over the corresponding period of last year. The average selling price of iron-ore concentrates was approximately RMB742.1 per tonne, representing an increase of about 3.3% compared with the corresponding period of last year. For the Reporting Period, the Group's iron ore business generated revenue of approximately RMB265.8 million, representing an increase of about 11.2% over the corresponding period of last year.

The following table sets forth a breakdown of the production and sales volume of each of the operating subsidiaries of the Group:

	Six months ended 30 June Output (Kt)			Six months ended 30 June Sales Volume (Kt)			Six months ended 30 June Average Sales Price (RMB)		
The Group	**2026**	2025	% of change	**2026**	2025	% of change	**2026**	2025	% of change
Jiheng Mining	**–**	–	–	**–**	–	–	**–**	–	–
Jingyuancheng Mining	**359.43**	327.50	9.8%	**358.18**	332.75	7.6%	**742.11**	718.37	3.3%
Iron ore concentrates **Total**	**359.43**	327.50	9.8%	**358.18**	332.75	7.6%	**742.11**	718.37	3.3%

Notes:

(1) Jiheng Mining has suspended mining due to the depletion of open-pit iron mining resources.

(2) The TFe grade of iron ore concentrates sold by Jingyuancheng Mining was 66%.

MINES IN OPERATION

Wang'ergou Mine and Shuanmazhuang Mine

Wang'ergou Mine and Shuanmazhuang Mine, which are both wholly-owned and operated by our wholly-owned subsidiary, Jingyuancheng Mining, are located in Zoumayi Village, Laiyuan County, the PRC. The areas covered by the mining licenses for Wang'ergou Mine and Shuanmazhuang Mine are 1.5287 sq.km. and 2.1871 sq.km., respectively. Wang'ergou Mine and Shuanmazhuang Mine have comprehensive basic infrastructure such as water, electricity and highway. As of 30 June 2026, the aggregate annual mining capacity of Wang'ergou Mine and Shuanmazhuang Mine was 14.0 Mtpa, and the dry processing capacity and wet processing capacity were 17.6 Mtpa and 3.5 Mtpa, respectively.

During the Reporting Period, Wang'ergou Mine and Shuanmazhuang Mine had not conducted new exploration activities, and had no new exploration expenses.

The following table sets forth a breakdown of the production of Wang'ergou Mine and Shuanmazhuang Mine:

Items	Unit	Six months ended 30 June 2026	2025	% of change
Mine				
Of which: raw ores	Kt	**4,318.62**	5,677.22	-23.9%
Stripping in production	Kt	**1,967.75**	2,839.92	-30.7%
Stripping ratio in production	t/t	**0.46**	0.50	-8.0%
Dry processing				
Raw ore feed	Kt	**5,216.92**	5,602.43	-6.9%
Preliminary concentrates output	Kt	**878.05**	953.39	-7.9%
Raw ore feed/preliminary concentrates output	t/t	**5.94**	5.88	1.0%
Wet processing				
Preliminary concentrates feed	Kt	**1,179.23**	1,157.31	1.9%
Iron ore concentrates output	Kt	**359.43**	327.50	9.7%
Preliminary concentrates feed/iron ore concentrates output	t/t	**3.28**	3.53	-7.1%

The following table sets forth a breakdown of the average unit cash operating costs of the iron ore concentrates of Wang'ergou Mine and Shuanmazhuang Mine:

Unit: RMB per ton	Six months ended 30 June 2026	2025	% of change
Mining costs	**251.19**	314.64	-20.2%
Dry processing costs	**117.38**	115.73	1.4%
Wet processing costs	**93.24**	129.21	-27.8%
Administrative expenses	**71.49**	73.80	-3.1%
Distribution expenses	**–**	–	–
Taxation	**29.71**	30.05	-1.1%
Total	**563.01**	663.43	-15.1%

During the Reporting Period, the average unit cash operating cost of iron-ore concentrates from the Wang'ergou Mine and Shuanmazhuang Mine decreased compared with the corresponding period of last year. This was mainly due to the combined effect of the Group's continuous strengthening of cost control during the Reporting Period, the reduction in various expenditures such as raw material procurement and transportation in the mining and wet-processing segments, lower staff compensation under administrative expenses, and a higher dry-processing ratio in the dry-processing segment.

Green Construction Materials – Construction Sand and Gravel Materials Business

The Company adheres to the national concept of "Ecological Priority and Green Development" and takes "Solid Waste Recycling, Ecological Restoration and Industrial Extension" as the development direction. The Company makes full use of its own abundant and high-quality solid waste resources, actively promotes the comprehensive utilisation of solid waste through advanced and excellent process equipment, and carries out the green construction materials, sand and gravel materials business.

As of 30 June 2026, the total treatment capacity of the Group's solid waste comprehensive utilisation projects was approximately 6.4 Mtpa, of which the treatment capacity of the solid waste comprehensive utilisation project of Jiheng Mining was 3.7 Mtpa; the treatment capacity of the solid waste comprehensive utilisation project of Jingyuancheng Mining was approximately 2.7 Mtpa.

The following is a breakdown of the Group's production and sales of sand and gravel materials:

The Group	As of 30 June Output (Kt)			As of 30 June Sales volume (Kt)			As of 30 June Average sales price (RMB)			As of 30 June Average unit cash operating costs (RMB)		
	2026	2025	% of change	**2026**	2025	% of change	**2026**	2025	% of change	**2026**	2025	% of change
Sand and gravel materials	**1,853.40**	1,037.60	78.6%	**1,941.99**	1,258.57	54.3%	**22.06**	25.95	-15.0%	**22.28**	20.49	8.7%

Both production and sales volumes of sand and gravel material recorded a substantial increase during the Reporting Period as compared with the corresponding period of last year. This was mainly attributable to the return to normal operations of the sand and gravel material business of Jiheng Mining, resulting in higher production and sales volumes over the past six months. During the Reporting Period, the average cash operating cost of the Group's sand and gravel material increased compared with the corresponding period of last year, which was primarily due to higher unit costs for electricity and materials during the Reporting Period.

SAFETY AND ENVIRONMENTAL PROTECTION

The Group has always incorporated employees' occupational health and safety as well as green-low-carbon development into its core operation and management system. It strictly abides by national and local laws, regulations and regulatory requirements on work safety, occupational health, ecological environmental protection, energy consumption and emission reduction. Upholding the core targets of "zero fatality, zero serious injury and zero major environmental incident", the Group implements the management guideline of "safety first, prevention foremost and comprehensive governance". During the Reporting Period, the Group kept optimising its work-safety and occupational-health management system, strengthened risk control across the full-range operational workflows of mines, delivered solid safety training and emergency response drills, comprehensively enhanced practitioners' safety protection awareness and standard operation competency, and effectively safeguarded the operational safety, physical and mental well-being of employees and business partners. In the meantime, aligned with the standards for green mine development, the Group continuously improved its environmental and carbon emission management system. It exercised dynamic environmental risk control covering the whole process of mining exploitation, production and operation, standardised the treatment and resource utilisation of the three types of wastes, scaled up investment in technical transformation for energy conservation and emission reduction, proactively rolled out ecological restoration and low-carbon operation initiatives, and effectively mitigated the ecological-environmental impacts arising from production and business activities. The Group strives to achieve coordinated high-quality development featuring safe production, green and low-carbon growth.

During the Reporting Period, the Group's production and operations proceeded in a stable and orderly manner, with no major safety or environmental incidents recorded.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Period was approximately RMB310.4 million, representing an increase of approximately RMB37.3 million or 13.7% compared with the corresponding period of last year. The increase in revenue was mainly attributable to the combined effect of higher sales volume and selling price of the Group's iron-ore concentrates, as well as higher sales volume offset by lower selling price of sand and gravel material during the Reporting Period.

Cost of Sales

The Group's cost of sales for the Reporting Period amounted to approximately RMB259.9 million, representing a decrease of approximately RMB8.4 million or 3.1% compared with the corresponding period of last year. The decrease in cost of sales was mainly attributable to the combined effect of higher sales volumes of the Group's iron-ore concentrates and sand and gravel material, as well as lower unit cost of sales for iron-ore concentrates during the Reporting Period.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Period was approximately RMB50.5 million, representing an increase of approximately RMB45.7 million compared with the corresponding period of last year. The increase in gross profit was mainly attributable to the rise in selling price of the Group's iron-ore concentrates, as well as the Group's continuous enhancement of cost control to cut various expenditures including raw material procurement and transportation during the Reporting Period. The gross profit margin stood at approximately 16.3%, representing an increase of about 14.5 percentage points as compared with the corresponding period of last year.

Distribution Expenses

The Group's distribution expenses for the Reporting Period were approximately RMB0.3 million, representing a decrease of approximately RMB0.3 million as compared with the corresponding period of last year, which was mainly due to the decrease in transportation costs generated by the replacement of sand and gravel materials products in the mining area of the Group during the Reporting Period.

Administrative Expenses

The Group's administrative expenses for the Reporting Period were approximately RMB44.6 million, representing a decrease of approximately RMB7.2 million or 13.9% as compared to the corresponding period of last year, which was mainly attributable to the reduction in shutdown-related losses and intermediary institution fees charged under the Group's administrative expenses during the Reporting Period.

Finance Costs

The Group's finance costs for the Reporting Period were approximately RMB25.0 million, representing a decrease of approximately RMB2.9 million or 10.4% as compared with the corresponding period of last year, which was mainly due to the decrease in the average balance of the Group's bank borrowings during the Reporting Period as compared to the corresponding period last year. Finance costs consist of interest expenses on bank borrowings and other finance expenses.

Income Tax Expense

The Group's income tax expense for the Reporting Period were approximately RMB0.4 million, while the income tax credit for the corresponding period of last year were approximately RMB2.5 million. The income tax expense comprises the sum of current tax and deferred tax, which included a reduction in over-provision for current tax in prior year of approximately RMB0.6 million and deferred tax of approximately RMB2.1 million.

Total Loss of the Group for the Period

The Group recorded a loss after tax of approximately RMB12.4 million for the Reporting Period, representing a reduction in loss of approximately RMB63.2 million compared with the corresponding period of last year. Although the Group still recorded a loss for the Reporting Period, the loss narrowed significantly as compared with the corresponding period of last year. This was mainly attributable to the rise in the selling price of iron-ore concentrates during the Reporting Period, the Group's continuous enhancement of cost control to cut various expenditures including raw material procurement and transportation, which drove an increase in gross profit margin; the gradual recovery of the sand and gravel material business of Jiheng Mining with higher production and sales volumes over the past six months; as well as the net impairment loss (net of write-backs) under the Group's expected credit loss model turning from a substantial provision in the corresponding period of last year to an impairment write-back in the current period.

Property, Plant and Equipment

The net carrying value of the Group's property, plant and equipment amounted to approximately RMB768.8 million as of 30 June 2026, representing a decrease of approximately RMB23.4 million or 3.0% as compared with the end of last year, which was mainly due to the depreciation of property, plant, and equipment.

Construction in Progress

Construction in progress of the Group amounted to approximately RMB66.3 million as of 30 June 2026, representing an increase of approximately RMB8.6 million as compared with the end of last year.

Intangible Assets

Intangible assets of the Group mainly include mining rights and related premium paid to obtain the mining rights. As of 30 June 2026, the net value of the Group's intangible assets was approximately RMB33.3 million, representing a decrease of approximately RMB3.0 million as compared with the end of last year.

Inventories

Inventories of the Group amounted to approximately RMB76.5 million as of 30 June 2026, representing a decrease of approximately RMB13.8 million or 15.3% as compared with the end of last year, which was mainly due to the decrease in the amount of iron ore, preliminary concentrates and raw material inventories during the Reporting Period.

Trade and Other Receivables

The Group's trade and bills receivables amounted to approximately RMB115.3 million as of 30 June 2026, representing an increase of approximately RMB16.3 million as compared with the end of last year, which was mainly due to the increase in credit sales during the credit period. The Group's other receivables amounted to approximately RMB102.9 million as of 30 June 2026, representing an increase of approximately RMB18.5 million as compared with the end of last year, which was mainly due to the increase in prepayments.

Trade and Other Payables

The Group's trade and bills payables amounted to approximately RMB107.0 million as of 30 June 2026, representing an increase of approximately RMB1.4 million as compared with the end of last year, which was mainly due to the increase in trade payables to main suppliers. The Group's other payables amounted to approximately RMB71.4 million as of 30 June 2026, representing a decrease of approximately RMB1.6 million as compared with the end of last year, which was mainly due to the combined effect of a decrease in taxes payable and an increase in the amount of accrued payments during the Reporting Period.

Cash and Borrowings

As of 30 June 2026, the cash and cash equivalents balances of the Group amounted to approximately RMB2.9 million, representing a decrease of approximately RMB34.2 million as compared with the end of last year. As of 30 June 2026, bank borrowings of the Group was approximately RMB782.0 million, representing a decrease of approximately RMB87.0 million or 10.0% as compared to the end of last year. The interest rates of the borrowings as of 30 June 2026 ranged from 2.8% to 6.5% per annum. Of which, borrowings of RMB528.0 million are classified as current liabilities of the Group, and borrowings of RMB254.0 million are classified as non-current liabilities of the Group.

Save as disclosed above, the Group has no outstanding mortgages, pledges, bonds or other loan capital (issued or agreed to be issued), bank overdrafts, borrowings, acceptance liabilities or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities. The Directors have confirmed that there was no material change in the liabilities and contingent liabilities of the Group since 30 June 2026 and up to the date of this interim report.

As of 30 June 2026, the overall financial status of the Group remained in a good condition.

Gearing Ratio

The gearing ratio of the Group was approximately 53.0% as of 30 June 2026, representing a decrease of approximately 1.1 percentage points as compared to the end of last year. The gearing ratio was calculated as total bank borrowings divided by total assets.

Capital Commitment

At 30 June 2026, the total capital commitments of the Group amounted to approximately RMB0.3 million (31 December 2025: approximately RMB1.2 million).

Interest Rate Risk and Foreign Currency Risk

The fair value interest rate risk of the Group is primarily related to bank borrowings. Most of the bank borrowings of the Group are due within one to three years. Therefore their fair value interest rate risk is low. The Company currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider to hedge significant interest rate exposure if necessary.

The principal business of the Group is located in the PRC and the principal operation and transactions are carried out in RMB. Substantially all of the assets and liabilities of the Group are denominated in RMB. Since RMB is not freely convertible, the Chinese government may take actions to affect the exchange rate exposure, which may affect the Group's net assets, earnings and any dividends it declares if such dividends are translated into foreign currency. The Group had no hedging in respect of the exchange rate risk.

Significant Acquisitions and Disposals of Subsidiaries, Affiliated Companies and Joint Ventures

The Group did not have any significant acquisition and disposal of subsidiaries, affiliated companies and joint ventures for the Reporting Period.

Pledge of Assets and Contingent Liabilities

As of 30 June 2026, the Group's bank borrowings of RMB782 million were secured by the Group's mining rights, right-of-use assets (land use right), properties and equipment, trade receivables, bank deposit, the land use rights, the raw material of gravels and properties of a related party of the Group, and collectively secured by land use rights and properties of third parties and a related party and directors of the Company, respectively.

Save for those disclosed in this interim report, the Group had no material contingent liabilities as of 30 June 2026.

Future Plan and Outlook

Looking ahead to the second half of 2026, the global macroeconomic landscape will continue to be clouded by significant uncertainties. The Group's core businesses cover iron ore and sand and gravel material segments. The iron ore market is expected to maintain its operating pattern of "loose supply, weak demand recovery and wide price volatility". New production capacity from international mines will continue to be released, resulting in ample overall market supply. Meanwhile, the regulation of domestic crude steel output has become normalized. The recovery of steel demand from downstream real estate and infrastructure sectors will remain moderate, coupled with heightened volatility in end-market demand from the manufacturing industry, posing ongoing operational challenges for the iron ore business. For the sand and gravel material business, the second half of 2026 will mark a peak construction period for major projects in Xiongan New Area. Key transportation infrastructure including the Xiongxin High-speed Railway and the Xiongan–Daxing Airport Express will accelerate implementation, alongside the full advancement of university relocation projects, urban supporting facilities, livelihood renovation initiatives and industrial park developments. These developments will drive a phased increase in rigid regional demand for sand and gravel material. The Group will fully capitalise on regional construction opportunities, further develop its sand and gravel material business, and leverage its superior resource endowments and regional market advantages to continuously consolidate its market share in the core Xiongan region and drive steady growth in the sand and gravel material segment.

Faced with the complex and evolving macro environment and industry trends, the Group will adhere to the core strategies of prudent operation and high-quality development. Closely following national industrial policies and regional market dynamics, the Group will focus on its core businesses, pursue quality and efficiency improvement, stabilise financial operations and mitigate risks, so as to comprehensively consolidate the foundation for operational development. Operationally, the Group will further improve its cost reduction and efficiency enhancement system, optimise production and operation models, upgrade core production processes, fully tap internal cost-saving potential, and steadily improve production efficiency and profitability. It will also strengthen forward-looking analysis of macroeconomic and regional industry trends, closely monitor changes in regional demand and market prices, and flexibly adjust sales strategies. By consolidating its presence in the Beijing-Tianjin-Hebei region and the core Xiongan New Area market, the Group will expand high-quality customer resources and sales channels. In terms of financial and capital management, the Group upholds prudent operational principles. It will continuously optimise capital allocation and debt structure, strengthen full-cycle cash flow management and comprehensive budget control, strictly manage all expenses, reduce overall financial costs, and forestall capital liquidity risks. This solid and robust financial foundation will support the steady implementation of all production and operational strategies.

Moving forward, the Group will continue to optimise its internal management structure, strengthen operational and financial management foundations, and flexibly respond to macro market fluctuations. It will consistently enhance production and operational capabilities, financial control proficiency and comprehensive risk resilience, consolidate its competitive advantages in the regional industry, and promote the stable, sound and sustainable development of all business segments.

OTHER INFORMATION

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

As at 30 June 2026, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Interests in the Shares of the Company:

Name of Directors and Senior Management	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Issued Shares
Mr. Li Ziwei	Founder of a discretionary trust(2)	1,181,480,000(L)	72.25%
Mr. Li Yanjun	Interests held jointly with another person(2)	1,181,480,000(L)	72.25%

Notes:

1. The letter "L" denotes long position in the Shares.

2. Mr. Li Ziwei is the settlor, protector and a beneficiary of the Chak Trust with Trident Trust Company (HK) Limited as the trustee which holds the entire issued share capital of Hengshi Holdings Limited (holding 100% issued share capital of Hengshi International Investments Limited) through Trident Trust Company (HK) Limited and is the settlor, protector and a beneficiary of the Seven Trust with Trident Trust Company (HK) Limited as the trustee which holds the entire issued share capital of Aowei International Developments Limited through Trident Trust Company (HK) Limited. Pursuant to the Confirmation Letters, Mr. Li Ziwei and Mr. Li Yanjun have acted and will continue to act in concert to make decisions and exercise discretions in respect of the matters of the Chak Trust and the Seven Trust and exercise all voting rights attached to the shares of Hengshi International Investments Limited and Aowei International Developments Limited, respectively. Therefore, Mr. Li Ziwei and Mr. Li Yanjun are deemed to be interested in the 1,147,730,000 Shares held by Hengshi International Investments Limited (which is 100% owned by Hengshi Holdings Limited) as disclosed above and the 33,750,000 Shares held by Aowei International Developments Limited.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executives of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of 30 June 2026 and so far as is known to the Directors, the interests or short positions of the substantial shareholders, other than the Directors or the chief executives of the Company whose interests or short positions in the shares of the Company and of its associated corporations (within the meaning of Part XV of the SFO) as set out above, who had 5% or more interests or short positions in the Shares and underlying Shares as recorded in the register required to be maintained by the Company under Section 336 of the SFO, were as follows:

Interests in the Shares of the Company:

Name of Shareholders	Capacity/Nature of Interest	Number of Share	Approximate Percentage of Issued Shares
Aowei International Developments Limited	Beneficial owner(2)	1,181,480,000(L)	72.25%
Trident Trust Company (HK) Limited	Trustee	1,181,480,000(L)	72.25%
Hengshi Holdings Limited	Interest in controlled corporation(2)	1,181,480,000(L)	72.25%
Hengshi International Investments Limited	Beneficial owner(2)	1,181,480,000(L)	72.25%

Notes:

(1) The letter "L" denotes long position in the Shares.

(2) Hengshi Holdings Limited holds 100% issued share capital of Hengshi International Investments Limited, thus Hengshi Holdings Limited is deemed to be interested in the 1,147,730,000 Shares held by Hengshi International Investments Limited. Aowei International Developments Limited holds 33,750,000 Shares as a beneficial owner.

Mr. Li Ziwei and Mr. Li Yanjun are the ultimate controlling shareholders of Hengshi Holdings Limited, Hengshi International Investments Limited and Aowei International Developments Limited. Therefore, Hengshi Holdings Limited, Hengshi International Investments Limited and Aowei International Developments Limited are deemed to be interested in all the 1,181,480,000 shares. Pursuant to the Confirmation Letters, Mr. Li Ziwei and Mr. Li Yanjun have acted and will continue to act in concert to make decisions and exercise discretions in respect of the matters of the Chak Trust and the Seven Trust and exercise all voting rights attached to the shares of Hengshi International Investments Limited and Aowei International Developments Limited, respectively.

Save as disclosed above, so far as is known by or otherwise notified to the Directors, no other person or entity (other than the Director(s) or chief executive(s) of the Company) had interests or short positions in the Shares or underlying Shares representing 5% or more of the issued share capital of the Company as of 30 June 2026.

SHARE OPTION SCHEME

As at the date of this interim report, the Company did not adopt any share option scheme.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 as its own code of conduct regarding the Directors' dealings in the Company's securities. Specific enquiries have been made to all Directors of the Company and all Directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2026.

CHANGE OF DIRECTORS' INFORMATION

During the Reporting Period, there are no changes of information of the Directors required to be disclosed pursuant to Rule 13.51(B) of the Listing Rules.

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

As at 30 June 2026, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined under the Listing Rules) had any competing interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

In the first half of 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the Group had 762 employees in total (the corresponding period in 2025: 733 employees in total). The total remuneration expenses and the amounts of other employees' benefit were approximately RMB31.2 million (the corresponding period in 2025: approximately RMB33.6 million). Employee costs include basic remuneration, incentive salary, redundancy cost, social pension insurance, medical insurance, work-related injury insurance and other insurances required by the PRC government. According to the Group's remuneration policy, the employees' income is linked to the performance of individual employee and the operation performance of the Group. The employees of the Group have to participate in the pension scheme managed and operated by local municipal government. Subject to the approval of the municipal government, the Company has to make a 16% contribution to the pension scheme according to the average salary of Hebei Province, so as to provide funding to their pension.

STAFF TRAINING SCHEME

The Group is well aware that employees are an important foundation for the development of an enterprise, and attaches great importance to the sustainable development of our employees. By constantly improving the internal staff training system, the Group has formulated scientific and reasonable staff training and development plans, and adopted a training method that combines theory and practice to better help employees improve their vocational skills.

SUBSEQUENT EVENT

Except as disclosed in the interim report, there is no material subsequent event affecting the Group which has occurred since 1 July 2026 and up to the date of this interim report.

CORPORATE GOVERNANCE

Our Directors consider that good corporate governance is important in achieving effectiveness and integrity in management and internal procedures. We have complied with the Corporate Governance Code set out in Appendix C1 to the Listing Rules during the Reporting Period.

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Company has terms of reference aligned with the code provisions as set out in Appendix C1 to the Listing Rules for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The Audit Committee consists of three independent non-executive Directors, namely Dr. Wong Sze Lok (Chairman), Mr. Meng Likun and Mr. Ge Xinjian.

The interim financial results of the Group for the six months ended 30 June 2026 are unaudited but have been reviewed by the Audit Committee, which was of the opinion that the results were prepared in accordance with the applicable accounting principles as well as the Listing Rules and that adequate disclosures have been made.

PUBLIC FLOAT

Based on the publicly available information to the Company and within the knowledge of the Directors as of the date of this interim report, the Company has maintained the prescribed public float required by the Listing Rules for the Reporting Period and up to the date of this interim report.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (2025: Nil).

MAJOR LEGAL PROCEEDING

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	*4*	**310,362**	273,140
Cost of sales		**(259,870)**	(268,296)
Gross profit		**50,492**	4,844
Other income, gains and losses, net	*6*	**3,498**	5,861
Distribution expenses		**(334)**	(554)
Administrative expenses		**(44,602)**	(51,827)
Reversal of impairment losses (impairment losses) under expected credit loss model, net	*7*	**3,997**	(8,542)
Finance costs	*8*	**(25,045)**	(27,941)
Loss before tax		**(11,994)**	(78,159)
Income tax (expenses) credit	*9*	**(440)**	2,535
Loss for the period	*10*	**(12,434)**	(75,624)
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**141**	(40)
Total comprehensive expense for the period		**(12,293)**	(75,664)
Loss per share in RMB	*12*		
Basic		**(0.01)**	(0.05)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**At 30 June 2026 RMB'000 (Unaudited)**	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*13*	**768,792**	792,178
Construction in progress	*14*	**66,347**	57,731
Intangible assets		**33,308**	36,327
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")	*18*	**66,361**	66,361
Pledged bank deposits		**60,000**	–
Trade and other receivables	*15*	**18,867**	11,850
Deferred tax assets		**150,166**	148,070
		1,163,841	1,112,517
Current assets			
Inventories		**76,455**	90,320
Trade and other receivables	*15*	**199,371**	171,468
Pledged bank deposits		**10,000**	173,400
Restricted bank balances		**23,313**	21,090
Cash and cash equivalents		**2,902**	37,124
		312,041	493,402
Current liabilities			
Trade and other payables	*16*	**178,418**	178,589
Contract liabilities		**18,887**	49,826
Bank borrowings	*17*	**528,000**	675,950
Tax payable		**11,646**	11,323
Deferred income		**1,360**	1,360
Provision for reclamation obligations		**7,692**	7,038
		746,003	924,086

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	**At 30 June 2026 RMB'000 (Unaudited)**	At 31 December 2025 RMB'000 (Audited)
Net current liabilities		**(433,962)**	(430,684)
Total assets less current liabilities		**729,879**	681,833
Non-current liabilities			
Bank borrowings	*17*	**254,000**	193,050
Deferred income		**11,680**	12,360
Provision for reclamation obligations		**21,710**	21,641
		287,390	227,051
Net assets		**442,489**	454,782
Capital and reserves			
Share capital		**131**	131
Reserves		**442,358**	454,651
Total equity		**442,489**	454,782

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital	Share premium	Statutory surplus reserve	Specific reserve	Exchange reserve	Other reserve	FVTOCI reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		Note (a)	*Note (b)*	*Note (c)*	*Note (d)*	*Note (e)*	*Note (f)*		
At 1 January 2025 (Audited)	131	1,142,640	84,556	34,338	(114)	(126,229)	11,740	(459,448)	687,614
Loss for the period	–	–	–	–	–	–	–	(75,624)	(75,624)
Other comprehensive expense for the period									
Item that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	(40)	–	–	–	(40)
Total comprehensive expense for the period	–	–	–	–	(40)	–	–	(75,624)	(75,664)
Transfer to specific reserve, net of utilisation	–	–	–	4,619	–	–	–	(4,619)	–
At 30 June 2025 (Unaudited)	131	1,142,640	84,556	38,957	(154)	(126,229)	11,740	(539,691)	611,950
At 1 January 2026 (Audited)	131	1,142,640	84,556	46,103	(86)	(126,229)	15,270	(707,603)	454,782
Loss for the period	–	–	–	–	–	–	–	(12,434)	(12,434)
Other comprehensive income for the period									
Item that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	141	–	–	–	141
Total comprehensive expense for the period	–	–	–	–	141	–	–	(12,434)	(12,293)
Transfer to specific reserve, net of utilisation	–	–	–	5,757	–	–	–	(5,757)	–
At 30 June 2026 (Unaudited)	**131**	**1,142,640**	**84,556**	**51,860**	**55**	**(126,229)**	**15,270**	**(725,794)**	**442,489**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

Notes:

(a) Share premium

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary courses of business.

(b) Statutory surplus reserve

In accordance with the relevant PRC laws and regulations and the respective articles of association of the PRC subsidiaries, the PRC subsidiaries are required to appropriate 10% of their profit after taxation reported in their financial statements prepared in accordance with relevant accounting principles and financial regulations applicable to enterprises established in the PRC to the statutory surplus reserve. The appropriation to statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the registered capital of the relevant PRC subsidiaries.

The statutory surplus reserves can be utilised to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. However, when converting the statutory surplus reserve of the PRC subsidiaries into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of the relevant PRC subsidiaries.

(c) Specific reserve

Pursuant to the relevant PRC regulations, appropriation for safety production and other related expenditures are accrued by the Group at fixed rates based on production volume (the "**safety production fund**"). The Group is required to make a transfer for the appropriation of safety production fund from retained earnings to a specific reserve. The appropriation for safety production fund may cease if the balance of the specific reserve at the beginning of the year has reached 5% of the revenue of the relevant PRC subsidiaries in the previous year. The safety production fund could be utilised when expenses or capital expenditures on safety production measures are incurred. The amount of safety production fund utilised would be transferred from specific reserve back to retained earnings.

(d) Exchange reserve

The exchange reserve comprises all foreign exchange adjustments arising from the translation of the Hong Kong dollars ("**HK$**") denominated financial statements to the Group's presentation currency. The reserve is dealt with in accordance with the accounting policy.

(e) Other reserve

The other reserve comprises the followings:

- the difference between the net assets of subsidiaries acquired and the consideration paid by the Group in exchange;
- the changes in equity arisen from the acquisition of non-controlling interests; and
- the shareholder's loans waived by the ultimate controlling party.

(f) FVTOCI reserve

The FVTOCI reserve represents cumulative gains and losses arising from revaluation of equity instrument at FVTOCI that have been recognised in other comprehensive income, net of amounts reclassified to retained profits/accumulated losses when those equity instrument at FVTOCI are disposed of. Gains and losses arising from revaluation of equity instrument at FVTOCI will not be reclassified to profit or loss in subsequent periods.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash (used in) generated from operations	**(294)**	25,563
Income tax paid	**(2,214)**	(6)
Net cash (used in) from operating activities	**(2,508)**	25,557
Investing activities		
Purchase of property, plant and equipment and constructions in progress	**(27,225)**	(20,459)
Dividends from equity instruments at FVTOCI	**2,640**	3,000
Withdrawal of pledged bank deposit, net	**103,400**	–
Other cash flows arising from investing activities	**205**	157
Net cash from (used in) investing activities	**79,020**	(17,302)
Financing activities		
New bank and others borrowings raised	**365,000**	338,000
Repayments of bank and other borrowings	**(452,000)**	(339,492)
Interest paid	**(23,875)**	(27,446)
Net cash used in financing activities	**(110,875)**	(28,938)
Net decrease in cash and cash equivalents	**(34,363)**	(20,683)
Cash and cash equivalents at 1 January	**37,124**	34,646
Effect of foreign exchange rate changes	**141**	(40)
Cash and cash equivalents at 30 June	**2,902**	13,923

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Aowei Holding Limited (the "**Company**") was incorporated in the British Virgin Islands on 14 January 2011 and redomiciled to the Cayman Islands on 23 May 2013 as an exempted company with limited liability under the Companies Law, Chapter 22 (2012 Revision, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (together the "**Group**") are principally engaged in (i) the exploration, mining, processing and trading of iron ore products and major products including iron ores, preliminary concentrates and iron ore concentrates; (ii) the production and sales business of the green construction materials construction sand and gravel materials by recycling tailings and solid wastes in the People's Republic of China (the "**PRC**"). The registered address of the Company is located at P.O. Box 309, Ugland House Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

Pursuant to a group reorganisation (the "**Reorganisation**"), the Company became the holding company of the companies now comprising the Group for the public listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Details of the Reorganisation are set out in the prospectus of the Company dated 18 November 2013. The Company's shares were listed on the Stock Exchange on 28 November 2013.

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Hong Kong dollars ("**HK$**"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered Renminbi ("**RMB**") as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB.

As at 30 June 2026, the directors of the Company (the "**Directors**") considered the immediate parent and ultimate controlling party of the Group to be Hengshi International Investments Limited, a company incorporated in the British Virgin Islands, and Mr. Li Yanjun and Mr. Li Ziwei, respectively.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. BASIS OF PREPARATION *(continued)*

The Directors have, at the time of approving the unaudited condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the unaudited condensed consolidated financial statements.

As stated in the condensed consolidated financial statements, the Group incurred a loss of approximately RMB12,434,000 for the six months ended 30 June 2026 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB433,962,000, and the Group's borrowings due within one year amounted to approximately RMB528,000,000 and has capital commitments of approximately RMB334,000, while its cash and cash equivalents amounted to approximately RMB2,902,000 only. These events or conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

(1) The Group will actively negotiate with the banks for the renewal of the Group's bank borrowings when they fall due in order to secure necessary funds to meet the Group's working capital and financial requirements in the foreseeable future. In the opinion of the Directors, the Group will be able to roll over or refinance the bank borrowings upon their maturity;

(2) To pledge the non-current assets for new banking facilities, if necessary; and

(3) The executive director, Mr. Li Yanjun who is also the chairman and ultimate controlling party of the Company has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due. If necessary, Mr. Li Yanjun will use the properties and land, in which he is the beneficiary owner, as collateral for bank loans to provide financial support to the Group.

Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

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

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

Application of amendments to IFRS Accounting Standards

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

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

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

4. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2026 (unaudited)

	Mining segment RMB'000
Types of goods	
Iron ore concentrates	**265,810**
Gravel materials	**44,552**
Total	**310,362**
Geographical markets	
The PRC	**310,362**
Timing of revenue recognition	
A point in time	**310,362**

For the six months ended 30 June 2025 (unaudited)

	Mining segment RMB'000
Types of goods	
Iron ore concentrates	239,038
Gravel materials	34,102
Total	273,140
Geographical markets	
The PRC	273,140
Timing of revenue recognition	
A point in time	273,140

5. OPERATING SEGMENTS

Information reported to the Directors, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

– Mining segment: the exploration, mining, processing and trading of iron ore products and major products including iron ores, preliminary concentrates and iron ore concentrates and the production and sales business of the green construction materials, construction sand and gravel material by recycling tailings and solid wastes.

Since this is the only reportable and operating segment of the Group, no further analysis thereof is presented. All the revenue of the Group are generated from mining segment for the six months ended 30 June 2026 and 30 June 2025. No other discrete financial information is provided other than the Group's results and financial position as a whole.

6. OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain (loss) on disposal of property, plant and equipment	**39**	(8)
Loss on written-off of property, plant and equipment	**(4)**	(31)
Government grant (Note)	**680**	640
Interest income	**143**	2,260
Dividends from equity instruments at FVTOCI	**2,640**	3,000
	3,498	5,861

6. OTHER INCOME, GAINS AND LOSSES, NET *(continued)*

Note: During the year ended 31 December 2023, according to the "Notice of the Hebei Provincial Development and Reform Commission on decomposing and issuing the 2023 central budget investment plan for special projects on pollution control and energy conservation and carbon reduction (energy conservation and carbon reduction direction)"*（河北省發展和改革委員會關於有關下達2023年污染防治和節能降碳專項項目中央預算內投資計劃（節能降碳方向）的通知）, the Group received a government subsidy of RMB12,000,000 (the "**Subsidy**") to compensate for the construction cost of the Group's plant and machinery of approximately RMB12,000,000 related to pollution control and energy conservation and carbon reduction within the scheme. During the six months ended 30 June 2025, the Group received further Subsidy amounted of RMB4,000,000 to compensate for the construction cost of the Group's plant and machinery of approximately RMB4,000,000 in related to above schedule. The Subsidy is recognised as deferred income in the consolidated statement of financial position and will be transferred to profit or loss over the useful lives of the related assets, in which these related assets have the useful life of 5 to 20 years.

Subsidy of RMB680,000 (six months ended 30 June 2025: RMB640,000) was recognised as other income during the six months ended 30 June 2026.

* *For identification purpose only*

7. REVERSAL OF IMPAIRMENT LOSSES (IMPAIRMENT LOSSES) UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reversal of impairment losses on:		
Trade receivables	**9,671**	4,982
Other receivables	**–**	934
Impairment losses on:		
Trade receivables	**(5,674)**	(14,458)
	3,997	(8,542)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Bank borrowings	**23,814**	26,557
– Discounted bills	**293**	457
Unwinding interest expenses on:		
– Provision for reclamation obligations	**938**	927
	25,045	27,941

9. INCOME TAX (EXPENSES) CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	**(3,162)**	–
Overprovision in prior years		
PRC Enterprise Income Tax	**625**	2,395
Deferred tax		
Current period	**2,097**	140
	(440)	2,535

10. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Staff costs (include directors' and chief executive's emoluments):		
– Salaries and other benefits in kind	**28,107**	29,756
– Retirement benefits scheme contributions	**2,897**	2,992
– Redundancy cost	**237**	802
Total staff costs	**31,241**	33,550
Capitalised in inventories	**(18,435)**	(17,591)
	12,806	15,959
Transportation service fees	**42,162**	60,903
Capitalised in inventories	**(41,828)**	(60,349)
	334	554
Depreciation of property, plant and equipment (exclude right-of-use assets)	**35,231**	43,856
Depreciation of right-of-use assets	**3,651**	4,537
Amortisation of intangible asset	**3,019**	4,405
Total depreciation and amortisation	**41,901**	52,798
Capitalised in inventories	**(33,872)**	(44,656)
	8,029	8,142
Cost of inventories recognised as an expense	**253,396**	266,488

11. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2025: Nil). The Directors have determined that no dividend will be paid in respect of the interim period.

12. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the purpose of basic loss per share	**(12,434)**	(75,624)

	Six months ended 30 June	
	2026	2025
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,635,330**	1,635,330

No diluted loss per share for both six months ended 30 June 2026 and 2025 were presented as there were no potential ordinary shares in issue for both six months ended 30 June 2026 and 2025.

13. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

Lease prepayments comprise interests in leasehold land held for own use under operating leases located in the PRC, with original lease periods for 5 to 50 years. Up to the date of issue of these condensed consolidated financial statements, the Group is still in the process of applying for the title certificates of certain of its leasehold land with a carrying amount of approximately RMB51,499,000 (31 December 2025: approximately RMB41,437,000). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use of the above-mentioned properties and leasehold land.

(b) Property, plant and equipment (included right-of-use assets)

During the six months ended 30 June 2026, the Group acquired of property, plant and equipment (including right-of-use assets) with a cost of approximately RMB15,419,000 (six months ended 30 June 2025: approximately RMB26,872,000) and the depreciation of property, plant and equipment (including right-of-use assets) charged for the six months ended 30 June 2026 was approximately RMB38,882,000 (six months ended 30 June 2025: approximately RMB48,393,000).

During the six months ended 30 June 2026, the Group has written-off of property, plant and equipment with an aggregate carrying amount of approximately RMB4,000 (six months ended 30 June 2025: RMB31,000), resulting in a loss on written-off of approximately RMB4,000 (six months ended 30 June 2025: RMB31,000).

During the six months ended 30 June 2026, the Group disposed of property, plant and equipment with an aggregate carrying amount of approximately RMB23,000 (six months ended 30 June 2025: RMB124,000) for proceeds of approximately RMB62,000 (six months ended 30 June 2025: RMB116,000), resulting in a gain on disposal of approximately RMB39,000 (six months ended 30 June 2025: loss on disposal RMB8,000).

The Group's property, plant and equipment are substantially located in the PRC. As at 30 June 2026, the Group had not obtained title certificates of certain of its buildings and plants with an aggregate carrying amount of approximately RMB204,665,000 (31 December 2025: approximately RMB211,800,000). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use of the above-mentioned properties.

14. CONSTRUCTION IN PROGRESS

During the six months ended 30 June 2026, additions of construction in progress of the Group, representing mainly the green mines building costs, processing plant, machinery and equipment under construction and installation amounted to approximately RMB8,720,000 (six months ended 30 June 2025: RMB3,001,000).

15. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Trade receivables	**151,231**	135,853
Less: Allowance for credit losses	**(35,906)**	(39,903)
Total trade receivables, net (Note (a))	**115,325**	95,950
Bills receivables (Note (b))	**–**	3,000
Prepayments and deposits (Note (c))	**98,831**	80,398
Other receivables	**6,433**	6,321
	105,264	86,719
Less: Allowance for credit losses	**(2,351)**	(2,351)
Total other receivables, net	**102,913**	84,368
Prepayments classified as non-current assets	**(18,867)**	(11,850)
Other receivables, net	**84,046**	72,518
Trade and other receivables, net, classified as current assets	**199,371**	171,468

15. TRADE AND OTHER RECEIVABLES *(continued)*

Notes:

(a) Ageing analysis

Under certain circumstances, a credit period of up to one year is granted to customers that have a good track record with the Group and in good credit condition.

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

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
0 to 30 days	**16,379**	4,748
31 to 90 days	**14,422**	13,737
91 to 180 days	**14,687**	18,867
181 to 365 days	**34,712**	22,775
More than 1 year	**35,125**	35,823
	115,325	95,950

(b) As at 31 December 2025, total bills receivable amounting to approximately RMB3,000,000 are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period.

(c) Prepayments and deposits mainly represent advance payments made to the following Group's transportation service providers.

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Laiyuan County Huiguang Logistics Co., Ltd*	**2,775**	6,601
Laiyuan County Ao Tong Transportation Co., Ltd.*	**–**	4,790
Laiyuan County Rui Tong Transportation Co., Ltd.*	**36,050**	18,343
	38,825	29,734

* *For identification purpose only*

16. TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Trade payables (Note)	87,007	85,578
Bills payables	20,000	20,000
Other taxes payables	11,630	13,195
Payables for construction work, equipment purchase and others	30,830	33,251
Interest payables	1,850	1,618
Other payables	27,101	24,947
	178,418	178,589

Note:

The following is an aged analysis of trade payables, presented based on the invoice date:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
0 to 30 days	25,294	22,464
31 to 90 days	9,733	13,724
91 to 180 days	8,120	9,257
181 to 365 days	8,652	5,886
Over 365 days	35,208	34,247
	87,007	85,578

17. BANK BORROWINGS

During the six months ended 30 June 2026, the Group obtained new secured bank borrowings in aggregate of approximately RMB365,000,000 (six months ended 30 June 2025: RMB338,000,000). The bank borrowings carry interest at fixed market rates ranged 2.8% to 6.5% per annum and are repayable within 1 year. During the six months ended 30 June 2026, the Group has repaid the bank borrowings in aggregate of approximately RMB452,000,000 (six months ended 30 June 2025: RMB339,492,000).

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Directors are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

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

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

There was no transfer of fair value measurements between levels of fair value hierarchy during the six months ended 30 June 2026.

Reconciliation of Level 3 fair value measurements of financial assets

	Equity instruments at FVTOCI RMB'000
At 1 January 2026 (audited) and **30 June 2026 (unaudited)**	**66,361**

19. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments outstanding not provided for in the interim financial report

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**334**	1,224

(b) Environmental contingencies

Under existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. Laws and regulations protecting the environment have generally become more stringent in recent years and could become more stringent in the future. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. However, environmental laws and regulations continue to evolve. Management of the Group regularly reassesses environmental remediation for its operations. These uncertainties include:

(i) the exact nature and extent of the contamination at the mines and processing plants;

(ii) the extent of required clean-up efforts;

(iii) varying costs of alternative remediation strategies;

(iv) changes in environmental remediation requirements; and

(v) the identification of new remediation sites.

The amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposed for future environmental legislation cannot be reasonably estimated at present and could be material.

19. COMMITMENTS AND CONTINGENCIES *(continued)*

(b) Environmental contingencies *(continued)*

Since 2020, the Group has implemented the requirements in accordance with the "Code for Green Mine Construction in the Nonferrous Metals Industry" (DZ/T 0320-2018). The implementation of the green mine construction including engaging designers, consultants and environmental management companies to work with internal experts to formulate the green mine plans. The Group also strengthen the self-discipline in the mining operations, undertaking the corporate responsibility of saving resources, energy conservation and emission reduction, environmental reconstruction, land reclamation, assisting local economic and social development, increasing investment in mine environmental protection and governance. Jiheng Mining and Jingyuancheng Mining has obtained the title of provincial green mine.

(c) Governmental and regulatory levies

The Group is subject to certain levies (mineral resources compensation, water and soil loss compensation, pollutant discharge fee etc.) imposed by relevant government authorities in accordance with relevant PRC laws and regulations. Under such laws and regulations, the Group has fully fulfilled their responsibilities in paying the respective levies during the periods presented. The Directors are of the opinion that the Group had no other material obligations or liabilities of such levies at the end of the reporting period.

20. RELATED PARTY TRANSACTIONS

During the periods presented, the Group entered into transactions with the following related parties.

Name of party	Relationship
Mr. Li Yanjun	The ultimate controller and a director of the Company
Mr. Li Ziwei	The ultimate controller and a director of the Company
Hebei Aowei Industrial Group. Co., Limited* ("**Hebei Aowei**")	A company ultimately owned by Mr. Li Yanjun
Beijing Tong Da Guang Yue Trading Co., Limited* ("**Tong Da**")	A joint venture owned by Mr. Li Yanjun
Beijing Tongchan Ritan Club Co. Limited* ("**Ritan Club**")	A company ultimately owned by Mr. Li Yanjun

20. RELATED PARTY TRANSACTIONS *(continued)*

Other than as disclosed elsewhere in the condensed consolidated financial statements, the Group had following transactions with related parties:

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Rent payment	*(a)*	**860**	860

Notes:

(a) Rent payment represent office and car park rental expenses paid and payable to Ritan Club.

(b) As at 30 June 2026, the bank borrowing of RMB66,500,000 (31 December 2025: RMB67,200,000) is secured by the properties of Tong Da and guaranteed by certain subsidiaries of the Company, Mr. Li Yanjun and Mr. Li Ziwei, two of the Directors.

As at 30 June 2026, the bank borrowing of RMB225,000,000 (31 December 2025: RMB230,000,000) is secured by land use right and properties of Hebei Aowei and the properties of independent third parties, and guaranteed by Hebei Aowei, Mr. Li Yanjun and Mr. Li Ziwei, two of the Directors, and independent third parties.

As at 30 June 2026, the bank borrowing of RMB128,500,000 (31 December 2025: RMB128,800,000) is secured by the mining right of the Group and guaranteed by certain subsidiaries of the Company and Mr. Li Yanjun and Mr. Li Ziwei, two of Directors.

As at 30 June 2026, the bank borrowings of RMB199,000,000 (31 December 2025: RMB195,000,000) is secured by the properties of Tong Da and the mining right of the Group and guaranteed by certain subsidiaries of the Company, Mr. Li Yanjun and Mr. Li Ziwei, two of the Directors.

As at 30 June 2026, the bank borrowing of RMB28,000,000 (31 December 2025: RMB28,000,000) is secured by the raw material of gravels of the Group and guaranteed by Mr. Li Ziwei, one of the Directors.

As at 31 December 2025, the bank borrowing of RMB80,000,000 is secured by the mining right of the Group, land use right and machinery of the Group, and guaranteed by certain subsidiaries of the Company and Hebei Aowei.

(c) The Directors are of the view that the terms of the above related party transactions are fair and reasonable, based on normal commercial terms.

20. RELATED PARTY TRANSACTIONS *(continued)*

Compensation of key management personnel

The remuneration for key management personnel, including amounts paid to the Directors and certain of the employees, is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Basic salaries, allowances and benefits in kind	**1,897**	1,982
Retirement scheme contributions	**41**	42
	1,938	2,024