



PERSISTENCE RESOURCES GROUP LTD

集海資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2489

2025

INTERIM REPORT





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Corporate Information

CHINESE NAME OF THE COMPANY

集海資源集團有限公司

ENGLISH NAME OF THE COMPANY

Persistence Resources Group Ltd

EXECUTIVE DIRECTORS

Dr. Shao Xuxin
(Chairman and Chief Executive Officer)
Mr. Mackie James Thomas
Mr. Lo Cheuk Kwong Raymond

NON-EXECUTIVE DIRECTOR

Mr. Chen Libei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Malaihollo Jeffrey Francis A
Mr. Chan Ngai Fan
Dr. Zeng Ming
Ms. Liu Li

COMPANY SECRETARY

Mr. Lo Cheuk Kwong Raymond

AUTHORISED REPRESENTATIVES

Dr. Shao Xuxin
Mr. Lo Cheuk Kwong Raymond

AUDIT COMMITTEE MEMBERS

Mr. Chan Ngai Fan
(Chairman of the Audit Committee)
Dr. Malaihollo Jeffrey Francis A
Dr. Zeng Ming

REMUNERATION COMMITTEE MEMBERS

Dr. Zeng Ming
(Chairman of the Remuneration Committee)
Dr. Malaihollo Jeffrey Francis A
Mr. Chan Ngai Fan
Dr. Shao Xuxin

NOMINATION COMMITTEE MEMBERS

Dr. Shao Xuxin
(Chairman of Nomination Committee)
Dr. Malaihollo Jeffrey Francis A
Mr. Chan Ngai Fan
Dr. Zeng Ming

RISK MANAGEMENT COMMITTEE MEMBERS

Mr. Chan Ngai Fan
(Chairman of the Risk Management Committee)
Dr. Zeng Ming
Ms. Liu Li

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE MEMBERS

Dr. Zeng Ming
(Chairman of the Environmental, Social and Governance Committee)
Mr. Chan Ngai Fan
Ms. Liu Li

Corporate Information

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

COMPLIANCE ADVISER

Innovax Capital Limited
Room B, 13/F, Neich Tower
128 Gloucester Road
Wan Chai
Hong Kong

HONG KONG LEGAL ADVISERS

Li & Partners
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19 Des Voeux Road Central
Hong Kong

REGISTERED OFFICE

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Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 20, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Huaxia Bank Co., Ltd.
Yantai Branch
No. 123 South Street
Zhifu District
Yantai
Shandong
PRC

Shanghai Pudong Development Bank Co., Ltd.
Yantai Laishan Sub-branch
No. 131 Yingchun Street
Laishan District
Yantai
Shandong
PRC

Qingdao Rural Commercial Bank Co., Ltd.
Yantai Branch
No. 200, Changjiang Road
Development Zone
Yantai
Shandong
PRC

Yantai Rural Commercial Bank Co., Ltd.
Muping Sub-branch
No. 383 Zhengyang Road
Muping District
Yantai
Shandong
PRC

Yantai Rural Commercial Bank Co., Ltd.
Wanggezhuang Sub-branch
No. 5 Tongda Street
Wanggezhuang
Muping District
Yantai
Shandong
PRC

COMPANY WEBSITE

<http://www.persisteresource.com/>

STOCK CODE

2489

Management Discussion and Analysis

I. INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 (THE “REPORTING PERIOD”) OF PERSISTENCE RESOURCES GROUP LTD (THE “COMPANY”) AND ITS SUBSIDIARIES (COLLECTIVELY THE “GROUP”)

GOLD PRODUCTION

For the Reporting Period, the Group's total gold production volume (after smelting) was approximately 446.04 kg (or approximately 14,340.49 ounces), representing a decrease of approximately 1.7% as compared to the corresponding period of 2024. The decrease in gold production was mainly due to the slope management work reinforced by Shandong Provincial Emergency Management Department and Shandong Bureau of the State Mine Safety Supervision Administration (“**Safety Bureau**”) after carrying out the Yantai Audit-Style Support and Supervision Programme for safety inspection in mid-February 2025. However, the decrease in production volume was partially improved by the inclusion of production from Yantai City Mujin Mining Co., Ltd. (“**Yantai Mujin**”), which was acquired and consolidated into the Group's financial statements at the end of February 2025.

REVENUE

For the Reporting Period, the Group's revenue was approximately RMB303,493,000 (corresponding period of 2024: RMB236,173,000), representing an increase of approximately 28.5% as compared to the corresponding period of 2024. The increase was mainly due to a higher average selling price of approximately 34.2%, partially offset by the decrease in sales volume by 4.3%.

NET PROFIT

For the Reporting Period, the Group's net profit was approximately RMB85,501,000 (corresponding period of 2024: RMB78,867,000), representing an increase of approximately 8.4% as compared to the corresponding period of 2024. The increase in net profit was primarily due to the increase in gross profit as a result of increase in revenue partially offset by the increase in cost of sales, a decrease in interest income on the Group's cash and cash equivalent balances and an increase in research and development expenses and the administrative expenses of Yantai Mujin.

EARNINGS PER SHARE

For the Reporting Period, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB3.14 cents, (basic and diluted earnings per share for the corresponding period of 2024: RMB2.86 cents), representing an increase of 9.6% as compared to the corresponding period of 2024.

Management Discussion and Analysis

INTERIM DIVIDEND

On 29 August 2025, the Board declared an interim dividend of HK0.03 per ordinary share. The total payout for the interim dividend will amount to approximately HK\$60,000,000. The aforesaid interim dividend will be paid on 2 October 2025 to the Shareholders whose names appear on the register of members of our Company at the close of business on 16 September 2025. For details, please refer to the interim results announcement of the Company dated 29 August 2025.

II. MARKET OVERVIEW

During the Reporting Period, the continuous swinging U.S. foreign and economic policy and the geopolitical risks have become more severe and complicated, bringing many uncertain impacts to the global economy. However, gold prices have rallied significant in the first half of the year. The increase in gold demand in the first half of 2025 as compared with 2024 was mainly attributed to a weaker U.S. Dollars and lower U.S. interest rate and the economic and geopolitical uncertainties.

In the first half of 2025, the global gold spot price peaked at approximately US\$3,500 per ounce in April, slowed down significant in June under the influence of the fairly stable situation in the Russia-Ukraine war and the Middle East (Israel-Hamas) war and the expectation of the Federal Reserve's interest rate cut. The average global gold spot price was approximately US\$3,070 per ounce in the first half of 2025. The rise in gold spot price was primarily driven by the economic and geopolitical uncertainty, the unpredicted US trade policy and strong buying from various central banks. Gold as a traditional safe-haven asset, the gold spot price has further increased in China since the China Central Bank has been continuing its gold purchasing power due to the risks associated with the economic outlook and in particular the impact from the US tariff policy. China's gold spot price continued to rise in the first half of 2025, reaching the highest price at approximately RMB827 per gram in the second quarter and the average gold spot price was approximately RMB720 per gram in the first half of 2024.

Shifting geopolitical conflicts in the Russia-Ukraine war and the Middle East (Israel-Hamas) war, rapidly changing monetary policy expectations and U.S. recession probabilities as well as escalating concerns regarding U.S. debt and weakening U.S. dollars and the long term trend of central bank purchasing will still support the gold prices in the near future.

Management Discussion and Analysis

III. BUSINESS REVIEW

In the first half of 2025, the gold production volume (after smelting) of the Group was approximately 446.04 kg (equivalent to approximately 14,340.49 ounces), representing a decrease of approximately 7.67 kg (equivalent to approximately 246.53 ounces) or 1.7% as compared with the corresponding period of 2024. The decrease in gold production was primarily due to the slope management work reinforced by Safety Bureau after carrying out the Yantai Audit-Style Support and Supervision Programme for safety inspection in mid-February 2025. However, the decrease in production volume was partially improved by the inclusion of production from Yantai Mujin, which was acquired and consolidated into the Group's financial statements at the end of February 2025. Nevertheless, the Group's revenue increased by approximately 28.5% to approximately RMB303,493,000 (corresponding period of 2024: RMB236,173,000) as compared with the corresponding period of 2024. The net profit of the Group was approximately RMB85,501,000 (corresponding period of 2024: RMB78,867,000), representing an increase of approximately 8.4%. The basic and diluted earnings per share amounted to approximately RMB3.14 cents (corresponding period of 2024: RMB2.86 cents).

For the six months ended 30 June 2025, Yantai Mujin had completed a concealed hazard exploration program for a total of 22 drill holes at the Chahe Underground Mine for preliminary preparation work to accommodate the planned production in the year 2028. The total contract sum for this exploration program was approximately RMB3,550,000 and was recorded as other long-term assets in the interim condensed consolidated statements of financial position. Save as foresaid, the cost of sales was directly attributable to the expenditure incurred on mining production activity. The amount of cost of sales was presented in the interim condensed consolidated statement of profit or loss and other comprehensive income on page 24 in this interim report.

IV. FINANCIAL ANALYSIS

REVENUE

For the Reporting Period, the Group's revenue was approximately RMB303,493,000 (corresponding period of 2024: RMB236,173,000), representing an increase of approximately 28.5% as compared to the corresponding period of 2024. The increase was mainly attributable to the increase in average selling price by 34.2% partially offset by the decrease in sales volume by 4.3%.

COST OF SALES

For the Reporting Period, the Group's cost of sales was approximately RMB147,982,000 (corresponding period of 2024: RMB110,693,000), representing an increase of approximately 33.7% as compared to the corresponding period of 2024. The increase was attributed to several factors including the cost of sales for inclusion of Yantai Mujin, an increase in tailing processing fees, open pit and underground mine safety production expense, depreciation expenses, and resources tax.

Management Discussion and Analysis

GROSS PROFIT AND GROSS PROFIT MARGIN

For the Reporting Period, the Group's gross profit was approximately RMB155,511,000 (corresponding period of 2024: RMB125,480,000), representing an increase in gross profit of approximately 23.9%. The increase in gross profit was primarily due to the increase in average selling price.

For the Reporting Period, the Group's gross profit margin was approximately 51.2% (corresponding period of 2024: 53.1%), representing a decrease in gross profit margin of approximately 1.9% as compared to the corresponding period of 2024. The decrease was mainly attributable to the increase in average selling price by 34.2%, offset by the increase in cost of sales by 33.7%.

OTHER INCOME AND GAINS

For the Reporting Period, the Group's other income and gains were approximately RMB8,305,000 (corresponding period of 2024: RMB10,725,000), representing a decrease of approximately 22.6% as compared to the corresponding period of 2024. The decrease in other income and gains was mainly due to the decrease in interest income earned on the Group's cash and cash equivalent balances as most of the Net Proceeds from the Global Offering have been nearly utilized.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses were approximately RMB31,514,000 during the Reporting Period (corresponding period of 2024: RMB19,445,000), representing an increase of approximately 62.1% as compared to the corresponding period of 2024. The increase of administrative expenses was mainly due to the back payment for soil and water conservation compensation fee to the State Taxation Administration, the increase in legal and professional fee for the acquisition of Yantai Mujin as well as the increase in research and development expenses which were included in the administrative expenses.

OTHER EXPENSES

For the Reporting Period, the Group's other expenses were approximately RMB633,000 (corresponding period of 2024: RMB586,000), representing an increase of approximately 8.0% as compared to the corresponding period of 2024.

FINANCE COSTS

For the Reporting Period, the Group's finance costs were approximately RMB3,027,000 (corresponding period of 2024: RMB1,397,000), representing an increase of approximately RMB1,630,000 as compared to the corresponding period of 2024. The increase was mainly due to the increase in interest expenses for interest-bearing bank borrowings of Yantai Mujin.

Management Discussion and Analysis

INCOME TAX EXPENSE

For the Reporting Period, the Group's income tax expense was approximately RMB43,141,000 (corresponding period of 2024: RMB35,910,000), representing an increase of approximately 20.1% as compared to the corresponding period of 2024. The increase was primarily due to the increase in profit before tax of the Group. During the Reporting Period, the corporate income tax within the territory of the PRC has been provided at a rate of 25% (corresponding period of 2024: 25%) on the taxable income. The effective tax rate of the Group was approximately 33.5% during the Reporting Period (corresponding period of 2024: approximately 31.3%). The increase in the effective tax rate was mainly due to the additional tax expenses arising out of the tax adjustments before the annual tax settlement in April 2025.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the Reporting Period, the Group's profit attributable to the owners of the parent was approximately RMB62,762,000, representing an increase of approximately 9.6% from approximately RMB57,284,000 for the corresponding period of 2024. The increase was mainly due to the increase in the profit after tax.

LIQUIDITY AND CAPITAL RESOURCES

The cash and cash equivalents of the Group were RMB655,053,000 as at 30 June 2025 (31 December 2024: approximately RMB639,599,000). The Group will continue to maintain a healthy liquidity position to fund its business development.

FUNDING AND TREASURY POLICY

The working capital and funds required by the Group are mainly derived from its cash flows generated from operations, bank borrowings and capital injection from shareholders, while the Group's capital for operating activities is mainly utilized to provide funding for purchase of raw materials, various operating expenses and capital expenditure.

CASH FLOWS AND WORKING CAPITAL

The Group's cash and cash equivalents have increased from approximately RMB639,599,000 as at 31 December 2024 to approximately RMB655,053,000 as at 30 June 2025. The increase was mainly due to net cash generated from the Group's operating activities. The Group's working capital as at 30 June 2025 was RMB400,603,000, compared to RMB548,015,000 as at 31 December 2024.

As at 30 June 2025, the cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB53,422,000 (31 December 2024: RMB171,204,000), those denominated in Canadian dollars amounted to approximately RMB639,000 (31 December 2024: RMB605,000), those denominated in United States dollars amounted to approximately RMB106,372,000 (31 December 2024: RMB65,983,000). All other cash and cash equivalents held by the Group are denominated in RMB.

Management Discussion and Analysis

BANK BORROWINGS

As at 30 June 2025, the Group had outstanding bank borrowings of approximately RMB174,750,000 (31 December 2024: Nil), all of which were denominated in RMB. As at 30 June 2025, 100% of the interest-bearing bank loans held by the Group were at fixed interest rates.

GEARING RATIO

The Group monitors capital using gross gearing ratio which is total debt divided by total equity and net gearing ratio which is net debt divided by total capital plus net debt. Total debt includes interest-bearing bank borrowings. Net debt includes interest-bearing bank borrowings, trade payables, financial liabilities included in other payables and accruals, and other long-term liabilities, less cash and cash equivalents. Capital represents equity attributable to owners of the parent.

As at 30 June 2025, the gross gearing ratio was approximately 14.9% (31 December 2024: Nil). As at 30 June 2025 and 31 December 2024, the Group's cash and cash equivalents exceeded the financial liabilities. As such, no net gearing ratio as at 30 June 2025 and 31 December 2024 was presented.

MARKET RISKS

The Group is exposed to a variety of financial risks such as interest rates risk, credit risk, foreign currency risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. The Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

GOLD PRICES AND OTHER COMMODITIES PRICES RISKS

The Group's revenue and profit were affected by fluctuations in the gold prices and other commodity prices as all of our products were sold at market prices and such fluctuations in prices were beyond our control. Our revenue is generated from the sale of gold bullion smelted by third party smelters derived from gold concentrate processed by us, with reference to the prevailing Au (T+D) spot price as quoted on the Shanghai Gold Exchange. Historically, while the gold price has increased in value over time, it has fluctuated widely and there can be no assurance that the gold price will not continue to fluctuate in the future or that such prices will otherwise remain at sufficiently high levels to support our profitability and cash flow.

INTEREST RATE RISK

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings. The Group had not used any derivative financial instruments to hedge interest rate risk during the Reporting Period, and obtains all bank borrowings with a fixed rate.

Management Discussion and Analysis

CREDIT RISK

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade receivable periodically and management also has monitoring procedures to ensure the follow-up action is taken to recover overdue receivables. The balances of trade receivables were nil as at 30 June 2025 and as at 31 December 2024. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

FOREIGN EXCHANGE RISK

The Group's transactions are mainly denominated in Renminbi. As such, the fluctuations in exchange rates may affect international and domestic gold prices, which may therefore affect the Group's operating results. The Group has currency exposures mainly arising from cash at banks denominated in USD and CAD. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. The Group constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

RISK OF CHANGE IN INDUSTRY POLICIES

An array of laws, regulations and rules on the gold mining and refining industry in China constitutes the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation (including licences and permits), etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

PLEDGE

As at 30 June 2025, RMB35,047,000 (31 December 2024: RMB21,212,000) of pledged deposits represented environmental rehabilitation deposits placed in banks for environmental rehabilitation of land the Group developed for the mine as required under the relevant PRC laws and regulations. Furthermore, certain of the Group's mining right and land title deed with a net carrying amount of approximately RMB113,479,000 (31 December 2024: nil) were pledged to secure banking facilities granted to the Group.

COMMITMENT

As at 30 June 2025, the Group's total capital commitments in respect of the contracted costs which were not provided for in the financial statements were RMB5,040,000 (31 December 2024: Nil).

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no material contingent liabilities.

V. BUSINESS PROSPECTS

The gold market in the second half of 2025 is expected to be influenced by a combination of macroeconomic factors, geopolitical events, and investor behavior including but not limited to the US monetary policy, geopolitical risk in the Middle East and Eastern Europe, Central Bank demand and US Dollar strength. While investment bankers forecast vary, however many expect gold to remain in demand as a safe haven asset and store of value and thus the price may expect to rise in the second half of the year. China's gold market is expected to experience strong investment demand, driven by geopolitical risks and consistent purchases by the People's Bank of China as reserve in the second half of the year. Gold prices are projected to remain high and potential volatility ahead.

In June 2025, the Group has completed the mining infrastructure in accordance with the mining optimization plan as disclosed as mentioned in the heading of Future Plans and Use of Proceeds of our Prospectus dated 14 December 2023. Further to the Yantai Audit-Style Support and Supervision Programme for safety inspection launched in mid-February 2025, the Group have accepted the proposal from the Safety Bureau and will continue the slope management work of our Open Pit as recommended by the Safety Bureau in the second half of the year. Furthermore, due to the prevailing slow recovering economy in particular in the property and infrastructure market in China, the Group needs more time to arrange other contractors to remove the excess gross waste rock which will affect the normal mining of high grade ore. In this regard, the Group will revise our production plan in the coming months and expect that the overall production volume may be decreased.

In December 2024, the Company has completed the exploration work as disclosed in the heading of Future Plans and Use of Proceeds of our Prospectus dated 14 December 2023. In the meantime, SRK has been appointed to further analyze on the assay results of the exploration work. Together with the completion of the mining infrastructure for bench construction as mentioned in the Use of Proceeds from Global Offering section, SRK will make recommendation for optimizing production utilization plan by the end of 2025.

On 28 July 2025, the Company has made an Insider Information – Suspension of Production of Denggezhuang Underground Mine (the “**DGZ Mine**”) Announcement of Yantai Mujin. Recently, Yantai Mujin has completed all corrective actions and submitted a rectification report as required by the investigation team. It is currently awaiting a response from the Safety Bureau regarding when production can resume. Based on our available information, the Group estimated that suspension cost of DGZ mine was approximately RMB3,671,000 since the date of the suspension of production up to the date of this report. At this juncture and subject to the resumption of production of DGZ mine, the Company believes that the suspension of production of DGZ mine has no material impact on the results of the Group as the two major mines, Songjiagou Open-Pit Mine and Songjiagou Underground Mine have been resumed normal operation after safety inspection by Safety Bureau.

Management Discussion and Analysis

VI. USE OF PROCEEDS FROM GLOBAL OFFERING

Reference is made to the announcement dated 23 August 2024 in relation to, among other things, change in use of the Net Proceeds from the Global Offering (“**the UOP Announcement**”). Unless otherwise specified, capitalised terms used in this section shall have the same meanings as those defined in the UOP Announcement.

The shares of the Company were listed on the Hong Kong Stock Exchange on 22 December 2023 and the Company obtained net proceeds of approximately HK\$218.3 million (after deducting the underwriting commissions and other expenses in connection with the exercise of the Global Offering).

For the period from the listing date (being 22 December 2023) up to 30 June 2025, the Company has utilized approximately HK\$201.2 million of the net proceeds raised from the Global Offering and the unutilised portion of the Net Proceeds amounted to approximately HK\$17.1 million.

Details of the original and the Revised Allocation of the Net Proceeds as at 30 June 2025 are as follows:

Business objective as stated in the Prospectus	% of the Net Proceeds	Actual amount available for utilisation HK\$ million	Utilised amount as of 30 June 2025 HK\$ million	Unutilised Net Proceeds as of 30 June 2025 HK\$ million	Expected timeline for utilisation
Further construction of mining infrastructure in accordance with the mine optimisation plan of the Group	20.4%	44.5	44.5	–	By June 2025
Upgrade gold reserves to increase LoM through additional exploration activities at the existing mine area of the Group	2.0%	4.4	4.4	–	By February 2025
Expand the business of the Group through selective acquisitions of gold mining assets	67.6%	147.6	130.5	17.1	By February 2025 (note)
Working Capital	10.0%	21.8	21.8	–	By December 2025
Total	100.0%	218.3	201.2	17.1	

Note: Due to the delay in obtaining the final approval from local government by a Yantai Mujin shareholder, we injected the share capital into Yantai Mujin for fully utilized the net proceeds for the acquisition of 52% equity share of Yantai Mujin in July 2025 instead of the original expected timeline in February 2025. At the date of this report, all the Net Proceeds have been completely utilized.

Corporate Governance and Other Information

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

As at 30 June 2025, the interests or short position of the Directors and chief executive of the Company in the shares of the Company (the “**Shares**”), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) required to be notified to the Company and the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Divisions 7 and 8 of Part XV of the SFO) (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) (the “**Model Code**”), were as follows:

(a) Long positions in shares of the Company

Name of Directors	Personal interests (held as beneficial owner)	Number of shares held		% of issued voting shares as at 30 June 2025
		Family interests (interests of spouse)	Total	
Mr. Chen Li Bei (non-executive Director)	–	18,180,000	18,180,000	0.91%

(b) Long positions in shares and underlying shares held under equity derivatives of Majestic Gold Corp.¹

Name of Directors	Personal interests (held as beneficial owner)	Family interests (interests of spouse)	Number of shares held		Total	% of issued voting shares as at 30 June 2025
			Sub-total	Number of underlying shares held under equity derivatives ²		
Dr. Shao Xuxin (Chairman and Chief Executive Director)	–	–	–	4,000,000	4,000,000	0.38%
Mr. Mackie James Thomas (Executive Director)	720,000	–	720,000	3,700,000	4,420,000	0.42%

Corporate Governance and Other Information

1. Majestic Gold Corp. (formerly known as (i) Byron Resources Inc. from 30 October 1986 to 2 September 1992 and (ii) Select Ventures Inc. from 3 September 1992 to 2 December 1996) is a company incorporated under the laws of the province of British Columbia, Canada with limited liability by shares on 30 October 1986 and listed on the TSX Venture Exchange (stock code: MJS.V). Majestic Gold Corp. is considered as the ultimate holding company of the Group.
2. These underlying shares held under equity derivatives represented the share options (being regarded for the time being as unlisted physically settled equity derivatives) granted by Majestic Gold Corp. under its share option scheme. Details of these share options and their movements during the period ended 30 June 2025 were as follows:

Name of Director	Date of grant	Number of share options				Cancelled/		Balance as at 30 June 2025
		Exercise price per share (CAD)	Exercise period	Balance as at 1 January 2025	Granted during the reporting period	Exercised during the reporting period	Lapsed during the reporting period	
Dr. Shao Xuxin (Chairman and Chief Executive Director)	30 June 2025	0.15	30 June 2025 to 29 June 2030	–	4,000,000	–	–	4,000,000
Mr. Mackie James Thomas (Executive Director)	30 June 2025	0.15	30 June 2025 to 29 June 2030	–	3,700,000	–	–	3,700,000

The above option is 100% vested immediately at date of grant subject to four-month hold from date of grant.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interests or short positions in the shares of the Company, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have taken under such provisions of the SFO), or recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 30 June 2025, other than those disclosed above in respect of the interests and short positions of the Directors and chief executive of the Company, the following interests and short positions of 5% or more of the Shares and underlying Shares of the Company were disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of		Approximate percentage of shareholding in the issued share capital of the Company
		shares held	Position	
Majestic Gold Corp.	Beneficial owner	1,410,000,000	Long	70.50%
Dongfang Gold Industry (Hong Kong) Limited ¹	Beneficial owner	198,000,000	Long	9.90%

Note:

1. Dongfang Gold Industry (Hong Kong) Limited, a third party independent of the Group, is a limited private company incorporated under the laws of Hong Kong with limited liability on 8 February 2022 and a wholly-owned subsidiary of 山東招金集團招遠黃金冶煉有限公司 (Shandong Zhaojin Group Zhaoyuan Gold Smelting Co., Ltd.).

Save as disclosed above, as at 30 June 2025, no person had any interests or short positions in the shares or underlying shares of the Company which were required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company.

Corporate Governance and Other Information

DIVIDEND POLICY

The Company has adopted a dividend policy in recommending dividends, to allow the Shareholders to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

The Board wishes to inform the Shareholders that on 28 August, 2025, the Board approved the amendment of the Company's Dividend Policy (the "**Amended Dividend Policy**"). The main contents of the Amended Dividend Policy are summarised below:

1. The Company intends to distribute interim cash dividends to the Shareholders for a year if the net profit attributable to equity holders and accumulated undistributed profits for the previous year are positive and the Company's cash flow can satisfy the Company's normal operations and sustainable development. The percentage of cash dividend will be calculated with reference to 30% of the net profit attributable to equity holders for the previous year.
2. It is anticipated that these distributions will be declared semi-annually following the announcement of the half-year results. Dividends will be declared and paid in Hong Kong dollars.

The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends, inter alia:

- (a) the actual and expected financial performance and the financial results;
- (b) the actual and available surplus and working capital;
- (c) the expected working capital requirements and cash flow required for the future expansion plans;
- (d) the debt-to-equity ratios and the debt level;
- (e) any restrictions on payment of dividends that may be imposed by the lenders;
- (f) the general economic conditions, business cycle and other internal and external factors that may have an impact on the business conditions or financial performance, the strategies and the financial position of the Company;
- (g) the future operations and earnings; and
- (h) any other conditions or factors that the Board deems relevant.

Any final or special dividends must be approved by the Shareholders at a general meeting and must not exceed the amount recommended by the Board. The Board may from time to time pay to the Shareholders any interim dividends as appear to the Directors to be justified by the profits of the Group. Once declared interim dividends in a year, the Board may not declare further final or special dividends within the same year.

Corporate Governance and Other Information

The form, frequency and amount of dividend payment by the Company are subject to any restrictions under the Companies Act (as revised), of the Cayman Islands, Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Listing Rules, the Articles, any other applicable laws and regulations and any other financial covenants imposed by financial institutions. Save as aforesaid, the Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Board will continually review the Dividend Policy and reserve the rights in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

CHANGES IN THE INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors of the Company required to be disclosed are shown as follows:

- (1) Mr. Chen Shaohui resigned as an executive Director of the Company with effect from 4 February 2025.
- (2) Mr Lo Cheuk Kwong Raymond resigned as an executive Director, company secretary and authorised representative of the Company with effect from 5 November 2025.

Save as disclosed above, the Company is not aware of any change in the information of the Directors, supervisors or chief executives of the Company, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, since the Company's last published annual report and up to the date of this report.

RIGHTS TO PURCHASE SHARES OR DEBENTURES OF DIRECTORS

Save as disclosed in this report, none of the Directors had any interests in the share capital or debt securities of the Company or any of its associated corporations (as defined in the SFO). None of the Directors, supervisors and their spouses and children below eighteen years old was granted rights to subscribe for the interests in the share capital or debt securities of the Company or any of its associated corporations and there was no exercise of any of such rights by any of such person.

At no time during the Reporting Period had the Company or any of its subsidiaries, holding companies or any fellow subsidiaries entered into any arrangements which enable the Directors and supervisors to have the rights to acquire benefits by means of acquisition of shares or debentures in the Company or any other legal entities.

Corporate Governance and Other Information

SUFFICIENT PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the six months ended 30 June 2025 and up to the date of this report.

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

For the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

For the Reporting Period, the Company did not issue any convertible securities, options, warrants or similar rights.

REMUNERATION POLICY OF THE GROUP AND NUMBER OF EMPLOYEES

It is the Company's policy that the remuneration is linked to the Company's results and performance of employees. The Company's human resources department formulates appraisal benchmarks for different businesses and professions and assesses an employee's remuneration according to his/her performance. Studies are being made to the scale of management positions and technical positions in the salary distribution system to enhance the salary increment and promotion ladder. We encourage professional and technical personnel to be dedicated to their own jobs and improve professional and technical skills, so as to create integration between job value and distribution of remuneration. The Company also presents diversified development paths to its staff in order to increase their initiative and creativity.

As of 30 June 2025, the Company had a total of 485 employees.

OVERVIEW OF SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have other plans for material investments or capital assets, or any other significant investments, acquisitions and disposals during the Reporting Period.

Corporate Governance and Other Information

DETAILS OF SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There have been no other material events occurring after the Reporting Period and up to the date of this report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save as disclosed below, since the listing date (being 22 December 2023, the “**Listing Date**”) of the Company and up to the date of this report, the Company had complied with the code provisions of the Appendix C1 to the Listing Rules (collectively, the “**CG Code**”). No Director is aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the CG Code by the Company at any time during the Reporting Period, except for certain deviations as specified with considered reasons for such deviations which are explained below.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the CG Code, the roles of the chairman of the Board (the “**Chairman**”) and chief executive officer (the “**CEO**”) of the Company should be separated and should not be performed by the same individual.

The Company has not separated the roles of Chairman and the CEO. Dr. Shao Xuxin (“**Dr. Shao**”) was the Chairman and also the CEO and is responsible for overseeing the operations of the Group. In view of the fact that Dr. Shao has been operating and managing the Group since 2019, the Board believes that it is in the best interests of the Group to have Dr. Shao taking up both roles for effective management and business development. The Board also believes that vesting the roles of both Chairman and CEO in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Although Dr. Shao performs both roles of Chairman and CEO, the division of responsibilities between the two roles is clearly established. While the Chairman is responsible for supervising the functions and performance of the Board, the CEO is responsible for the management of the Group’s business. The Board considers that the balance of power and authority for the present arrangement will not be impaired given the appropriate delegation of the power of the Board to the Senior Management for the day-to-day management of the Group, and the effective functions of the independent non-executive Directors representing at least one-third of the Board such that no one individual has unfettered power of decisions. This structure will also enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and CEO at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole. The Directors will review the corporate governance policies regularly to ensure compliance with the CG Code.

Corporate Governance and Other Information

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders of the Company and their respective close associates of each are interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 11 July 2025 (the “**Announcement**”). Unless otherwise stated, capitalised terms used in this section shall have the same meanings as those defined in the Announcement.

The Share Option Scheme was conditionally adopted on 30 November 2023 and shall be valid until 30 November 2033. The Share Option Scheme is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The Share Option Scheme will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives: (i) motivating the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining on-going business relationships with the eligible participants whose contributions are or will be beneficial to the Group.

TIME OF EXERCISE OF AN OPTION

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. Subject to any vesting period applicable to share options as determined by the Board, the Share Option Scheme does not provide for a minimum period for which an option must be held before it can be exercised.

Corporate Governance and Other Information

BASIS OF DETERMINING THE EXERCISE PRICE OF AN OPTION

The exercise price of the share options per Share shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the business day on which the share options are granted;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date on which the share options are granted; and
- (iii) the nominal value of the Shares.

As at 1 January 2024 and 31 December 2024, the total number of Shares available for grant under the Share Option Scheme was 200,000,000, representing 10% of the issued Shares. As at the date of the 2024 annual report of the Company, the total number of shares available for issue under the Share Option Scheme was 200,000,000, representing 10% of the issued Shares.

As at 1 January 2025 and 30 June 2025, the total number of Shares available for grant under the Share Option Scheme was 200,000,000, representing 10% of the issued Shares. The Company did not grant any share options under the Share Option Scheme to any other persons during the Reporting Period that is required to be disclosed under rule 17.07 of the Listing Rules.

As at the date of this interim report, the total number of Shares available for issue under the Share Option Scheme was 200,000,000, representing 10% of the issued Shares. For details, please refer to the Announcement. The Company will make further disclosure in the 2025 annual report as required by rule 17.07 of the Listing Rules.

During the Reporting Period, there are no material matters relating to the Share Option Scheme under the Listing Rules that were reviewed and/or approved by the remuneration committee of the Company and the Company did not have any matters relating to any grants of options to the Directors or the senior management of the Company as set out in rule 17.03(F) and rules 17.06B(7) and (8) of the Listing Rules.

On 11 July 2025, the Company granted a total of 21,000,000 options (representing approximately 1.05% of the total Shares in issue (excluding any treasury Shares) as at the date of this report) to certain directors and employees participants in accordance with the terms of the Share Option Scheme.

Corporate Governance and Other Information

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. After making specific enquiries with all Directors, all Directors confirmed that they have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules during the Reporting Period and up to the date of this report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group throughout the period from the Listing Date to the date of this report.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to (i) review and supervise the Group’s financial reporting process and internal control system, risk management and internal audit; (ii) provide advice and comments to the Board and perform other duties and responsibilities as may be assigned by the Board.

The Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Ngai Fan, Dr. Malaihollo Jeffrey Francis A and Dr. Zeng Ming. Mr. Chan Ngai Fan serves as the chairperson of the Audit Committee. The Audit Committee has reviewed this report and the unaudited interim consolidated financial statements of the Group as set out in this report for the Reporting Period and formed the view that this report and the unaudited interim consolidated financial statements have been prepared in accordance with applicable accounting standards and requirements and appropriate disclosures were made.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Corporate Governance and Other Information

INVESTOR RELATIONS

The Company considers that effective communication with the shareholders of the Company is essential for enhancing investor relations and investor understanding of the Group's business, performance and strategies, the Company endeavors to maintain an ongoing dialogue with the shareholders of the Company and in particular, through annual general meeting and extraordinary general meeting. In respect of each matter to be considered at the annual general meetings and extraordinary general meetings, including the re-election of Directors, a separate resolution will be proposed by the chairman of the Board. The chairman of the Board and the chairmen of the Board Committees will be available at the annual general meeting and extraordinary general meeting to meet with the shareholders of the Company and answer their enquiries. The Company will also invite representatives of the auditor to attend the annual general meeting of the Company to answer shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my sincere appreciation to our Shareholders, investors and business partners for their continuous support, as well as our management team and staff for their hard work and contributions during the Reporting Period.

By the order of the Board

Shao Xuxin

Chairman

29 August 2025

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	303,493	236,173
Cost of sales		(147,982)	(110,693)
Gross profit		155,511	125,480
Other income and gains		8,305	10,725
Administrative expenses		(31,514)	(19,445)
Other expenses		(633)	(586)
Finance costs	6	(3,027)	(1,397)
PROFIT BEFORE TAX	7	128,642	114,777
Income tax expense	8	(43,141)	(35,910)
PROFIT FOR THE PERIOD		85,501	78,867
Attributable to:			
Owners of the parent		62,762	57,284
Non-controlling interests		22,739	21,583
		85,501	78,867

Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements of subsidiaries		7,567	(2,388)
		7,567	(2,388)
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements of the Company		(9,019)	4,103
		(9,019)	4,103
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(1,452)	1,715
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		84,049	80,582
Attributable to:			
Owners of the parent		61,310	58,999
Non-controlling interests		22,739	21,583
		84,049	80,582
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT FOR THE PERIOD			
Basic and diluted	10	RMB3.14 cents	RMB2.86 cents

Interim Condensed Consolidated Statements of Financial Position

30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	11	498,275	343,899
Right-of-use assets		139,262	105,051
Intangible assets		379,364	110,341
Deferred tax assets		8,508	8,015
Other long-term assets		23,181	265
Goodwill		36,160	–
Total non-current assets		1,084,750	567,571
CURRENT ASSETS			
Inventories		23,739	18,040
Prepayments, other receivables and other assets		26,213	8,540
Restricted and pledged deposits		35,047	21,212
Cash and cash equivalents		655,053	639,599
Total current assets		740,052	687,391
CURRENT LIABILITIES			
Trade payables	12	24,402	11,501
Other payables and accruals		105,273	23,826
Interest-bearing bank borrowings		90,100	–
Lease liabilities		461	638
Tax payable		99,726	93,746
Provision		1,223	2,296
Current portion of other long-term liabilities		18,264	7,369
Total current liabilities		339,449	139,376
NET CURRENT ASSETS		400,603	548,015
TOTAL ASSETS LESS CURRENT LIABILITIES		1,485,353	1,115,586

Interim Condensed Consolidated Statements of Financial Position

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Provision		48,661	27,299
Interest-bearing bank borrowings		84,650	–
Other long-term liabilities		83,976	17,510
Deferred tax liabilities		93,576	17,210
Lease liabilities		466	108
Total non-current liabilities		311,329	62,127
NET ASSETS		1,174,024	1,053,459
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	18,172	18,172
Reserves		945,896	865,292
		964,068	883,464
Non-controlling interests		209,956	169,995
TOTAL EQUITY		1,174,024	1,053,459

Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Share premium*	Capital reserve*	Statutory surplus reserve*	Special reserve*	Exchange fluctuation reserve*	Retained profits*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 13)									
At 1 January 2025 (audited)	18,172	214,663	361,532	63,459	-	16,460	209,178	883,464	169,995	1,053,459
Profit for the period	-	-	-	-	-	-	62,762	62,762	22,739	85,501
Other comprehensive income for the period:										
Exchange differences on translation of financial statements of group companies	-	-	-	-	-	(1,452)	-	(1,452)	-	(1,452)
Total comprehensive income for the period	-	-	-	-	-	(1,452)	62,762	61,310	22,739	84,049
Transfer from retained profits	-	-	-	10,087	-	-	(10,087)	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(25,000)	(25,000)
Capital injection by non-controlling shareholders	-	-	19,294	-	-	-	-	19,294	-	19,294
Provision of safety fund surplus reserve	-	-	-	-	1,066	-	(1,066)	-	-	-
Utilisation of safety fund surplus reserve	-	-	-	-	(945)	-	945	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	42,222	42,222
As at 30 June 2025 (unaudited)	18,172	214,663	380,826	73,546	121	15,008	261,732	964,068	209,956	1,174,024

* These reserve accounts comprise the total consolidated reserves of RMB945,896,000 in the condensed consolidated statement of financial position as at 30 June 2025.

Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent								Non-controlling interests	Total equity
	Share capital	Share premium*	Capital reserve*	Statutory surplus reserve*	Special reserve*	Exchange fluctuation reserve*	Retained profits*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 13)									
At 1 January 2024 (audited)	18,172	214,663	370,792	46,720	-	11,722	165,719	827,788	148,147	975,935
Profit for the period	-	-	-	-	-	-	57,284	57,284	21,583	78,867
Other comprehensive income for the period:										
Exchange differences on translation of financial statements of group companies	-	-	-	-	-	1,715	-	1,715	-	1,715
Total comprehensive income for the period	-	-	-	-	-	1,715	57,284	58,999	21,583	80,582
Transfer from retained profits	-	-	-	8,635	-	-	(8,635)	-	-	-
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(10,000)	(10,000)
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	10,000	10,000
Provision of safety fund surplus reserve	-	-	-	-	1,124	-	(1,124)	-	-	-
Utilisation of safety fund surplus reserve	-	-	-	-	(1,124)	-	1,124	-	-	-
As at 30 June 2024 (unaudited)	18,172	214,663	370,792	55,355	-	13,437	214,368	886,787	169,730	1,056,517

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		128,642	114,777
Adjustments for:			
Finance costs	6	3,027	1,397
Depreciation of items of property, plant and equipment	7	26,404	21,383
Depreciation of right-of-use assets	7	4,995	5,160
Amortisation of intangible assets	7	3,477	3,652
		166,545	146,369
Decrease in inventories		3,520	4,539
Decrease in prepayments, other receivables and other assets		6,299	3,393
Increase in trade payables		1,799	636
Increase in restricted and pledged bank deposits		(1,781)	(1,664)
Decrease in other payables and accruals		(62,887)	(7,404)
Cash generated from operations		113,495	145,869
Tax paid		(38,942)	(37,811)
Net cash flows from operating activities		74,553	108,058
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(51,708)	(30,644)
Additions to intangible assets		–	(314)
Additions to right-of-use assets		–	(2,608)
Net acquisition cost for a subsidiary		(6,708)	–
Advances of loans to third parties		(2,300)	–
Repayment of loans from third parties		1,000	–
Net cash flows used in investing activities		(59,716)	(33,566)

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of listing expenses	–	(936)
Repayment of other long-term liabilities	(507)	(221)
Interest paid	(1,365)	(572)
New bank and other loans	114,800	–
Repayment of bank and other loans	(104,861)	–
Dividends paid to non-controlling interests	(25,000)	(10,000)
Contribution from non-controlling shareholders	19,294	10,000
Principal portion of lease payments	(292)	–
Net cash flows from/(used in) financing activities	2,069	(1,729)
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,906	72,763
Cash and cash equivalents at the beginning of period	639,599	586,840
Effects of exchange rate changes on cash and cash equivalents	(1,452)	1,715
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	655,053	661,318
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	655,053	661,318
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS	655,053	661,318

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

1. CORPORATE AND GROUP INFORMATION

Persistence Resources Group Ltd (the “**Company**” or “**Group**”) is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the mining, processing and sale of gold bullion in the People’s Republic of China (the “**PRC**”).

In the opinion of the directors, the holding company of the Company is Majestic Gold Corp., which was incorporated in the province of British Columbia, Canada.

INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company’s subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Majestic Yantai Gold Ltd.*	British Virgin Islands	USD50,000	100%	–	Investment holding
PRG Res Holding 1 Ltd.*	British Virgin Islands	USD50,000	100%	–	Investment holding
PRG Res Holding 2 Ltd.*	British Virgin Islands	USD50,000	100%	–	Investment holding
煙台中嘉礦業有限公司Yantai Zhongjia Mining Co., Ltd. (“ Yantai Zhongjia ”) **	PRC/Mainland China	RMB228,705,500	–	75%	Mining, processing and sale of gold
PRG Res HK 1 Limited**	Hong Kong	HKD1	–	100%	Investment holding
PRG Res HK 2 Limited**	Hong Kong	HKD1	–	100%	Investment holding
集海資源企業管理（深圳）有限公司 Jihai Resources Enterprise Management (Shenzhen) Co., Ltd. **	PRC/Mainland China	RMB5,000,000	–	100%	Investment holding
煙台市牟金礦業有限公司 Yantai City Mujin Mining Company Limited (“ Yantai Mujin ”) **	PRC/Mainland China	RMB79,500,000	–	52%	Mining, processing and sale of gold

* This company is a wholly-owned subsidiary of the Company.

** This company is a subsidiary indirectly owned by the Company.

The English name of the subsidiary registered in the PRC represents the best efforts made by management of the Company to translate the Chinese name of this company as it does not have an official English name.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. 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 2024. The Interim Financial Information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

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4. OPERATING SEGMENT INFORMATION

For management purpose, the Group has one reportable operating segment which is mining and processing gold that is ultimately sold as gold bullion. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resource allocation and performance assessment.

GEOGRAPHICAL INFORMATION

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

INFORMATION ABOUT THE MAJOR CUSTOMER

Revenue from the major customer is set out below:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	303,493	236,173

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	303,493	236,173

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5. REVENUE (CONTINUED)**DISAGGREGATED REVENUE INFORMATION FOR REVENUE FROM CONTRACTS WITH CUSTOMERS**

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Types of goods or services		
Sale of gold bullion	303,493	236,173
Timing of revenue recognition		
Recognised at a point in time	303,493	236,173

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Interest on bank borrowings	1,342	314
Interest expense on lease liabilities	9	–
Increase in discounted amounts of provisions and other long-term liabilities arising from the passage of time	1,676	1,083
Total	3,027	1,397

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7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Cost of inventories sold	147,982	110,693
Depreciation of property, plant and equipment*	26,404	21,383
Depreciation of right-of-use assets*	4,995	5,160
Amortisation of intangible assets*	3,477	3,652
Research and development costs	6,763	4,169

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets for the period is included in "Cost of sales" and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Company and its subsidiary incorporated in the Cayman Islands and British Virgin Islands, respectively, are not subject to any income tax.

Notes to the Interim Condensed Consolidated Financial Information

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8. INCOME TAX EXPENSE (CONTINUED)

The subsidiaries of the Group operating in Mainland China were generally subject to the PRC corporate income tax at a rate of 25% for the period.

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current tax:		
PRC corporate income tax	43,880	33,615
Deferred tax	(739)	2,295
Total tax charge for the period	43,141	35,910

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Profit before tax	128,642	114,777
At the statutory income tax rate of 25%	32,161	28,694
Effect of tax rate differences in other jurisdictions	777	410
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	6,293	5,828
Expenses not deductible for tax	2,532	978
Unrecognized deductible losses	1,378	–
Total	43,141	35,910

Notes to the Interim Condensed Consolidated Financial Information

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9. DIVIDENDS

On 29 August 2025, the board of directors declared an interim dividend of HK3.00 cents (six months ended 30 June 2024: HK2.95 cents) per ordinary share, amounting to a total of approximately HK\$60,000,000 (six months ended 30 June 2024: HK\$59,000,000).

The interim dividend has not been recognised as a liability at the end of the reporting period.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,000,000,000 (for the six months ended 30 June 2024: 2,000,000,000) in issue during the period used in the calculation is the number of ordinary shares in issue during the period.

The calculation of basic earnings per share is based on:

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation: (RMB'000)	62,762	57,284
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation:	2,000,000,000	2,000,000,000

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11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets of property, plant and equipment at a total cost of RMB32,712,000 (for the six months ended 30 June 2024: RMB29,563,000), excluding property, plant and equipment acquired through a business combination disclosed in note 15 to the interim condensed consolidated financial information.

There was no assets disposed of by the Group during the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil), resulting in no net gain on disposal (for the six months ended 30 June 2024: nil).

The ownership certificates of certain property, plant and equipment with an aggregate net carrying value of RMB6,140,000 (for the six months ended 30 June 2024: RMB2,010,000) have not yet been obtained as at 30 June 2025, of which RMB4,291,000 were acquired through a business combination disclosed in note 15 to the interim condensed consolidated financial information.

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within one year	23,356	11,501
1 to 2 years	1,046	–
Total	24,402	11,501

The trade payables are non-interest-bearing and normally settled in 30 to 90 days.

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13. SHARE CAPITAL

SHARES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
2,000,000,000 (2024: 2,000,000,000) ordinary shares of HKD0.01 each	18,172	18,172

14. COMMITMENT

The Group had the following contractual commitments at the end of the reporting period:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Mining infrastructure	5,040	–

Notes to the Interim Condensed Consolidated Financial Information

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15. BUSINESS COMBINATION

On 28 February 2025, the Group completed the acquisition of 52% equity interest in Yantai Mujin, for a total consideration of RMB81,900,000 which comprised of RMB29,400,000 for the share purchase and RMB52,500,000 for the capital increase. The acquisition was made as part of the Group's strategy to expand its market share of mining, processing and sale of gold bullion operation in local market.

The fair values of the identifiable assets and liabilities of Yantai Mujin as at the date of acquisition were as follows:

	Fair value recognized on acquisition RMB'000 (Unaudited)
Assets	
Cash and cash equivalents	75,192
Restricted and pledged deposits	12,054
Prepayments, other receivables and other assets	22,672
Inventories	9,219
Property, plant and equipment	148,068
Intangible Assets	272,500
Right of use assets	39,206
Other long-term assets	3,897
Trade payables	(11,102)
Other payables and accruals	(39,825)
Interest-bearing bank borrowings	(79,082)
Tax payable	(1,042)
Lease liabilities	(490)
Due to related companies	(190,055)
Provision	(20,257)
Deferred tax liabilities	(76,612)
Other long-term liabilities	(76,381)
Fair value of net assets acquired	87,962
Non-controlling interest measured at fair value	(42,222)
Goodwill arising on acquisition	36,160
Purchase consideration transferred	81,900

Notes to the Interim Condensed Consolidated Financial Information

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15. BUSINESS COMBINATION (CONTINUED)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB'000</i> (Unaudited)
Cash and cash equivalents	(81,900)
Cash and bank balances acquired	75,192
Net outflow of cash and cash equivalents included in cash flows from investing activities	(6,708)
Transaction costs of the acquisition included in cash flows from operating activities	(6,143)
	(12,851)

The Company has appointed an independent valuation specialist to prepare Pro-forma Purchase Price Allocation (“PPA”) of Yantai Mujin for determination of the fair values of certain assets acquired and liabilities assumed. The fair values of mineral properties and reclamation provisions were estimated using discounted cash flow models. The fair value of inventories was determined based on the future estimated cash flows from sales of payable metal produced and are adjusted for costs to complete and expected profit margin. The right-of-use assets and lease liabilities were recorded based on the present value of future lease payments over the expected term of the lease at the implicit interest rate. The fair values of plant and equipment were estimated using market or cost approaches.

Expected future cash flows, used to estimate the fair value of mineral properties, are based on estimates of future gold prices, projected future production, estimated quantities of ore reserves, metallurgical recovery estimates, expected future production costs, expected capital expenditures, and discount rates based on the life of mine plan at the transaction date. In the case of lease liabilities, estimates of expected future lease payments are based on estimated machine hours and minimum usage guarantees. The fair value of receivables, less any expected credit losses, and payables are equal to their gross contractual amounts at the transaction date. Expected future cash flows associated with the reclamation and closure cost provisions were based on estimates of the future expenditures required to settle the obligation for disturbances at the acquisition date and using a discount rate equal to the Company’s estimated cost of debt. The goodwill of RMB36,160,000 comprises the fair value of expected values arising from acquisition of the Yantai Mujin.

The initial accounting for this acquisition to the interim condensed consolidated financial information has been determined provisionally as the Group is waiting for the final PPA Report in relation to other assets and intangible assets acquired in the transaction. The valuation has not been completed by the date of the Interim Report was approved. Accordingly, the amounts of identifiable net assets and goodwill as stated above may be subsequently adjusted.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

15. BUSINESS COMBINATION (CONTINUED)

Since the acquisition, Yantai Mujin contributed RMB25,275,000 to the Group's revenue and RMB5,161,000 to the consolidated loss for the six months ended 30 June 2025.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB314,775,000 and RMB81,028,000, respectively.

16. RELATED PARTY TRANSACTIONS

(a) There was no transactions with a related party during the six months ended 30 June 2024 and 2025.

(b) Other transactions with related parties:

Kong Fanzhong, Kong Fanbo and Yantai Baiheng Gold Mine Co., Ltd. with other independent third party, have guaranteed certain bank borrowings made to the Group of RMB127,800,000 as at 30 June 2025 (for the six months ended 30 June 2024: nil).

In January 2024, the registered capital of Yantai Zhongjia was increased from RMB188,705,500 to RMB228,705,329.32 by the capital injection from shareholders Majestic Yantai Gold Ltd. and Dahedong in amounts of RMB29,999,871.99, RMB9,999,957.33, respectively. In February 2024, Yantai Zhongjia received the full amount of capital injection from Majestic Yantai Gold Ltd. and Dahedong.

(c) Outstanding balances with related parties:

There was no outstanding balance with related parties as at 30 June 2025 and 31 December 2024.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Short-term employee benefits	3,771	3,292
Pension scheme contributions	208	110
Total compensation paid to key management personnel	3,979	3,402

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17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted and pledged deposits, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of other long-term assets and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of the year, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors once a year for annual financial reporting.

18. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in the Management Discussion and Analysis section of this Report, there are no material subsequent events undertaken by the Company or by the Group after 30 June 2025.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The financial statements were approved and authorised for issue by the board of directors on 29 August 2025.