



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)

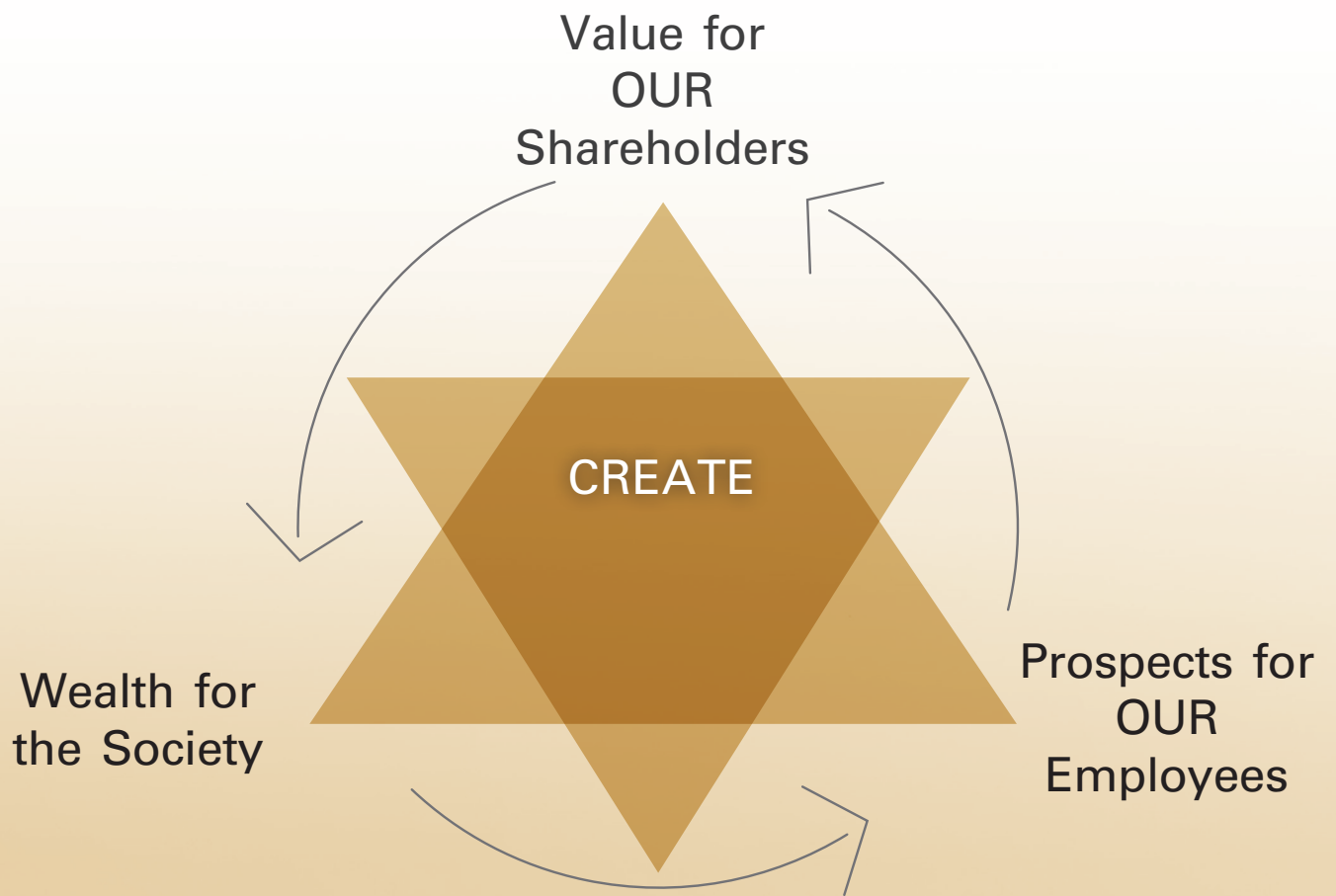
Stock Code: 1370



2025

INTERIM REPORT

▼ CORE VALUE



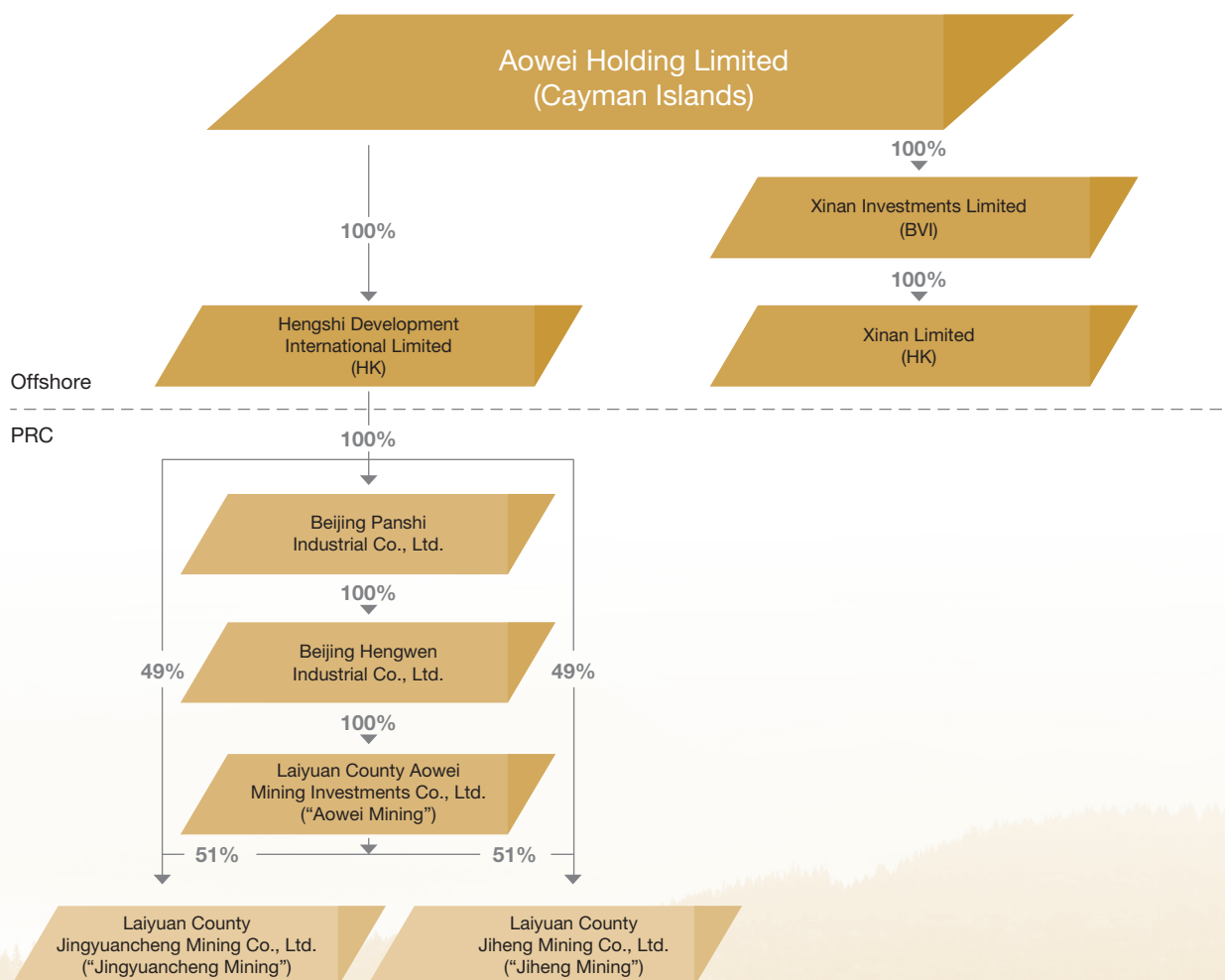
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CORPORATE INFORMATION

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

奥威控股有限公司

COMPANY'S STATUTORY ENGLISH NAME

Aowei Holding Limited

STOCK CODE

1370

REGISTERED OFFICE

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Ugland House Grand Cayman KY1-1104
Cayman Islands

HEADQUARTERS IN THE PRC

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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 2025 (the “**Reporting Period**”) was approximately RMB273.1 million, representing a decrease of approximately RMB50.6 million or 15.6% as compared with the corresponding period last year.

The Group’s gross profit was approximately RMB4.8 million for the Reporting Period, representing a decrease of approximately RMB41.9 million or 89.7% as compared with the corresponding period last year; the Group’s gross profit margin for the Reporting Period was approximately 1.8%.

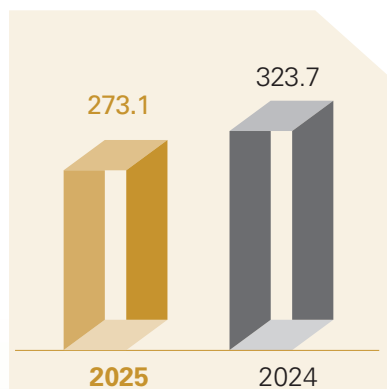
For the Reporting Period, the loss attributable to the equity shareholders of the Company was approximately RMB75.6 million, as compared to a loss of approximately RMB50.6 million for the corresponding period last year.

The Group’s basic loss per share attributable to equity shareholders for the Reporting Period was RMB0.05 per share, as compared to the basic loss per share of RMB0.03 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.

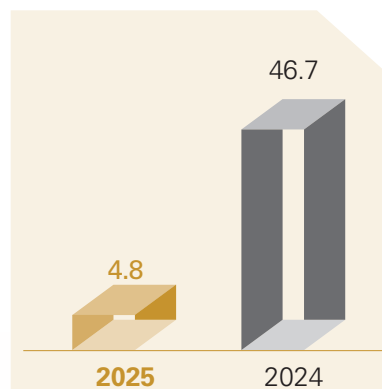
REVENUE (RMB million)

for the six months ended 30 June



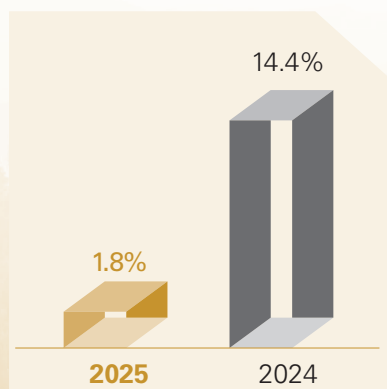
GROSS PROFIT (RMB million)

for the six months ended 30 June



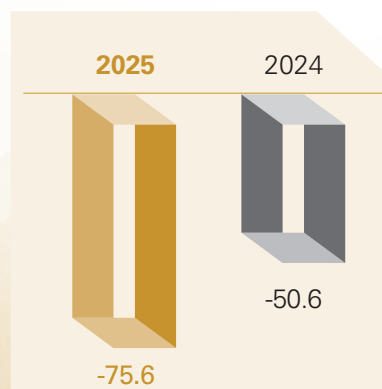
GROSS PROFIT MARGIN

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 2025, the iron ore market picked up first and then fell overall. At the beginning of the year, due to overseas weather, shipments from mainstream mines were hindered, and the supply side fell short of expectations. Iron ore prices fluctuated at a high level. According to public data, the 62% iron ore Platts Index also rose to the highest point of US\$109.50 per ton during the Reporting Period. However, as weather-related disruptions gradually eased, the port inventory rebounded, and supply side returned to the same period in previous years. With the implementation of crude steel regulation policy, coupled with the impact of the China-US tariff tension dispute and other factors, trend of iron ore prices showed a fluctuating, weakening and downward pattern. According to public data, the 62% iron ore Platts Index was also dropping the lowest point of US\$92.75 per ton during the Reporting Period.

Business Review

Facing the complicated economic environment and the weak market demand of iron ore, the Group continued to deepen the mechanism of cost reduction and efficiency improvement, reducing operating costs, improving production efficiency, and lowering operating risks through measures such as optimizing management structure and improving technical processes. During the Reporting Period, the average unit cash operating cost for iron ore concentrates of Jingyuancheng Mining was approximately RMB663.43 per ton, representing a decrease of approximately 1.1% as compared with the corresponding period last year. At the same time, we also paid close attention to market dynamics and trends, seized market changes, and promptly adjusted marketing strategies to fully enhance our competitiveness and profitability in the industry.

The loss incurred by the Group during the Reporting Period was mainly attributable to that the open-pit mining portion of iron mine of Jiheng Mining, a subsidiary of the Group, had been substantially completed and mining activities had been suspended; and the gross profit margin decreased due to the decrease in selling price of iron ore concentrates. During the Reporting Period, the Group's output of iron ore concentrates was approximately 327.5 Kt, representing a decrease of approximately 3.0% as compared with the corresponding period last year; during the Reporting Period, the Group's sales of iron ore concentrates were approximately 332.8 Kt, representing a decrease of approximately 7.1% as compared with the corresponding period last year, and the average selling price of iron ore concentrates was approximately RMB718.4 per ton, representing a decrease of approximately 16.1% as compared with the corresponding period last year. During the Reporting Period, the Group's iron ore business recorded revenue of approximately RMB239.0 million, representing a decrease of approximately 22.1% compared to the corresponding period last year.

MANAGEMENT DISCUSSION AND ANALYSIS



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

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)		
	2025	2024	% of change	2025	2024	% of change	2025	2024	% of change
Jiheng Mining	–	–	–	–	–	–	–	–	–
Jingyuancheng Mining	327.50	337.53	-3.0%	332.75	358.26	-7.1%	718.37	856.06	-16.1%
Iron ore concentrates									
Total	327.50	337.53	-3.0%	332.75	358.26	-7.1%	718.37	856.06	-16.1%

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 2025, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Items	Unit	Six months ended 30 June		
		2025	2024	% of change
Mine				
Of which: raw ores	Kt	5,677.22	6,054.37	-6.2%
Stripping in production	Kt	2,839.92	3,457.22	-17.9%
Stripping ratio in production	t/t	0.50	0.57	-12.3%
Dry processing				
Raw ore feed	Kt	5,602.43	6,238.23	-10.2%
Preliminary concentrates output	Kt	953.39	981.03	-2.8%
Raw ore feed/preliminary concentrates output	t/t	5.88	6.36	-7.5%
Wet processing				
Preliminary concentrates feed	Kt	1,157.31	1,153.51	0.3%
Iron ore concentrates output	Kt	327.50	337.53	-3.0%
Preliminary concentrates feed/iron ore concentrates output	t/t	3.53	3.42	3.2%

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		
	2025	2024	% of change
Mining costs	314.64	329.63	-4.5%
Dry processing costs	115.73	115.09	0.6%
Wet processing costs	129.21	127.68	1.2%
Administrative expenses	73.80	62.17	18.7%
Distribution expenses	—	—	—
Taxation	30.05	36.30	-17.2%
Total	663.43	670.87	-1.1%

During the Reporting Period, the average unit cash operating cost for iron ore concentrates of Wang'ergou Mine and Shuanmazhuang Mine decreased compared with the same period last year, which was mainly due to the combined effect of the decrease in the stripping ratio in the mining process, the decrease in unit cost of taxes and fees, and the increase in employee compensation and environmental protection expenses in administrative expenses during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS



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 2025, 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			As of 30 June Sales volume			As of 30 June Average sales price			As of 30 June Average unit cash operating costs		
	(Kt)			(Kt)			(RMB)			(RMB)		
	2025	2024	% of change	2025	2024	% of change	2025	2024	% of change	2025	2024	% of change
Sand and gravel materials	1,037.60	466.21	122.6%	1,258.57	460.35	173.4%	25.95	33.12	-21.7%	20.49	22.1	-7.3%

During the Reporting Period, the significant increase in the output and sales volume of sand and gravel materials compared to the same period last year was mainly due to the normalization of production and sales business for Jiheng Mining’s sand and gravel materials, and the partial recovery of production and sales business for Jingyuancheng Mining’s sand and gravel materials.

During the Reporting Period, the Group’s average cash operating cost for sand and gravel materials decreased compared with the same period last year, which was mainly due to the decrease in unit electricity cost and the decrease in unit labor cost resulting from increased output during the Reporting Period.



MANAGEMENT DISCUSSION AND ANALYSIS

SAFETY AND ENVIRONMENTAL PROTECTION

The Group fully acknowledges that safety and environmental protection are the lifeline for the survival and development of an enterprise, thereby attaching great importance to production safety, energy conservation and environmental protection, strictly complying with the relevant national laws and regulations, and adhering to the goal of “zero safety accidents, zero new occupational disease cases and zero environmental pollution accidents”. Through continuously improving our occupational health, safety production and environmental protection management systems, and strengthening training for all employees on safety production and green, low-carbon environmental protection, we aim to ensure that all employees embrace and implement safety and environmental concepts. The Group strives to jointly promote high-level safety prevention and control and high-quality ecological protection, so as to provide the Group with a robust support and solid foundation for the achievement of high-quality and sustainable development.

During the Reporting Period, there were no material safety and environmental incidents in the Group.

FINANCIAL REVIEW

Revenue

The Group’s revenue for the Reporting Period was approximately RMB273.1 million, representing a decrease of approximately RMB50.6 million or 15.6% as compared with the corresponding period last year, which was mainly due to the combined effect of lower selling prices for the Group’s iron ore concentrates and sand and gravel materials, and an increase in the sales volume of sand and gravel materials compared to the corresponding period last year during the Reporting Period.

Cost of Sales

The Group’s cost of sales for the Reporting Period was approximately RMB268.3 million, representing a decrease of approximately RMB8.8 million or 3.2% as compared to the corresponding period of last year, which was mainly due to the reduction in the unit sales cost of the Group’s iron ore concentrates and sand and gravel materials products, and the decrease in the sales volume of iron ore concentrates during the Reporting Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the Reporting Period was approximately RMB4.8 million, representing a decrease of approximately RMB41.9 million as compared with the corresponding period of last year. The decrease in gross profit was mainly due to a significant drop in the selling price of the Group’s iron ore concentrates products during the Reporting Period. The gross profit margin was approximately 1.8%, representing a decrease of approximately 12.6% as compared to the corresponding period of last year.

MANAGEMENT DISCUSSION AND ANALYSIS



Distribution Expenses

The Group's distribution expenses for the Reporting Period were approximately RMB0.6 million, representing a decrease of approximately RMB0.2 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 RMB51.8 million, representing a decrease of approximately RMB7.9 million or 13.2% as compared to the corresponding period of last year, which was mainly due to the reduction in the loss on work stoppage expenses recognized in the Group's administrative expenses during the Reporting Period.

Finance Costs

The Group's finance costs for the Reporting Period were approximately RMB27.9 million, representing a decrease of approximately RMB2.8 million or 9.1% 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 Credit

The Group's income tax credits for the Reporting Period were approximately RMB2.5 million, while the income tax credit for the corresponding period of last year were approximately RMB1.7 million. The income tax credit comprises the sum of current tax and deferred tax, which included overprovision of current tax in prior year of approximately RMB2.4 million and deferred tax of approximately RMB0.1 million.

Total Loss of the Group for the Period

The Group's loss after tax for the Reporting Period was approximately RMB75.6 million, representing an increase in loss of approximately RMB25.0 million as compared with the corresponding period of last year, which was mainly due to the combined effect of a significant drop in the selling price of iron ore concentrates during the Reporting Period, which led to a decrease in gross profit from sales, combined with lower administrative expenses and finance costs during the Reporting Period.

Property, Plant and Equipment

The net carrying value of the Group's property, plant and equipment amounted to approximately RMB919.7 million as of 30 June 2025, representing a decrease of approximately RMB19.9 million or 2.1% as compared with the end of last year, which was mainly due to the depreciation of property, plant, and equipment.



MANAGEMENT DISCUSSION AND ANALYSIS

Construction in Progress

Construction in progress of the Group amounted to approximately RMB116.9 million as of 30 June 2025, representing an increase of approximately RMB1.2 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 2025, the net value of the Group's intangible assets was approximately RMB40.6 million, representing a decrease of approximately RMB4.4 million as compared with the end of last year.

Inventories

Inventories of the Group amounted to approximately RMB100.8 million as of 30 June 2025, representing a decrease of approximately RMB10.3 million or 9.3% as compared with the end of last year, which was mainly due to the decrease in the amount of finished goods inventory during the Reporting Period.

Trade and Other Receivables

The Group's trade and bills receivables amounted to approximately RMB98.2 million as of 30 June 2025, representing a decrease of approximately RMB11.9 million as compared with the end of last year, which was mainly due to the decrease in credit sales during the credit period. The Group's other receivables amounted to approximately RMB89.9 million as of 30 June 2025, representing a decrease of approximately RMB1.8 million as compared with the end of last year, which was mainly due to the decrease in prepayments.

Trade and Other Payables

The Group's trade and bills payables amounted to approximately RMB129.1 million as of 30 June 2025, representing an increase of approximately RMB2.2 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 RMB84.2 million as of 30 June 2025, representing an increase of approximately RMB5.8 million as compared with the end of last year, which was mainly due to the increase in amount due to a related party and accrued expenses during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS



Cash and Borrowings

As of 30 June 2025, the cash and cash equivalents balances of the Group amounted to approximately RMB13.9 million, representing a decrease of approximately RMB20.7 million as compared with the end of last year. As of 30 June 2025, bank borrowings of the Group was approximately RMB870.5 million, representing a decrease of approximately RMB1.5 million or 0.2% as compared to the end of last year. The interest rates of the borrowings as of 30 June 2025 ranged from 2.8% to 7.5% per annum. The Group's bank borrowings of approximately RMB773.5 million were accounted for as current liabilities as of 30 June 2025.

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 2025 and up to the date of this interim report.

As of 30 June 2025, the overall financial status of the Group remained in a good condition.

Gearing Ratio

The gearing ratio of the Group was approximately 48.6% as of 30 June 2025, representing an increase of approximately 1.7% 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 2025, the total capital commitments of the Group amounted to approximately RMB14.9 million (31 December 2024: approximately RMB18.1 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.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets and Contingent Liabilities

As of 30 June 2025, the Group's bank borrowings of RMB870.5 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 2025.

Future Plan and Outlook

In the second half of 2025, as the weather-related factors in the Southern Hemisphere subside, with the commissioning of major and non-major global mining projects and the release of new capacity, the global iron ore supply and demand landscape will accelerate its shift towards a more relaxed state. On the domestic demand side, structural differentiation will emerge. With the accelerated implementation of domestic infrastructure investment and the upgrading of manufacturing industries, such as new energy vehicles and high-end equipment, steel demand will inevitably increase, providing some support for iron ore demand. However, the real estate industry is still undergoing deep adjustments, and it is expected that the year-on-year decline in steel demand from the real estate sector will narrow throughout the year, but its overall pull on iron ore demand will be limited.

In the face of industry cyclical fluctuations and interim performance pressure, the Company will continue to strengthen cost control and efficiency improvement, enhance the competitiveness of its iron ore and sand and gravel materials businesses, in order to fully improve the Company's profitability; we will also closely monitor market dynamics and industry policy changes, and timely adjust product and sales strategies, in order to broaden market channels and achieve higher economic benefits; at the same time, we will continue to strengthen the customer credit management mechanism, real-time assess the credit risk of customers with outstanding debts, to ensure the secure and timely recovery of funds. In view of the depletion of Jiheng Mining's open-pit iron mine and the uneconomical nature of underground mining, we may consider seeking suitable opportunities to dispose of Jiheng Mining's iron ore business, with the aim of improving financial performance. To reduce the impact of the risk of the mineral resources business of Jiheng Mining, the Group will effectively grasp the construction opportunities in Xiong'an New Area, actively promote the layout of the sand and gravel materials industry, and expand the production scale of green construction materials sand and gravel materials by building new sand and gravel materials production lines, thereby continuously improving the Group's profitability.

Despite the short-term challenges of supply surplus and price pressure in the industry, we firmly believe that through continuously deepened improvement measures and efficiency mechanisms, along with flexible marketing strategies, we will build competitive advantages at the bottom of the industry cycle, creating long-term value for shareholders.

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 2025, 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⁾⁽³⁾	1,181,480,000 ^(L)	72.25%
Mr. Li Yanjun	Interests held jointly with another person ⁽²⁾⁽³⁾	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.
3. Mr. Li Yanjun and Mr. Li Ziwei through the controlled corporations of Mr. Li Ziwei provided an interest in 829,630,000 shares as security to a person other than a qualified lender.

OTHER INFORMATION

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

As of 30 June 2025 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⁾⁽³⁾	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⁾⁽³⁾	1,181,480,000 ^(L)	72.25%
Hengshi International Investments Limited	Beneficial owner ⁽²⁾⁽³⁾	1,181,480,000 ^(L)	72.25%
Fresh Idea Ventures Limited	Person having a security interest in shares ⁽⁴⁾	829,630,000 ^(L)	50.73%
Huarong International Financial Holdings Limited	Interest in controlled corporation ⁽⁴⁾	829,630,000 ^(L)	50.73%
China Huarong Asset Management Co., Ltd.	Interest in controlled corporation ⁽⁴⁾	829,630,000 ^(L)	50.73%

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.

OTHER INFORMATION

- (3) Aowei International Developments Limited and Hengshi International Investments Limited provided an interest in 829,630,000 Shares as security to a person other than a qualified lender. Each of Trident Trust Company (HK) Limited and Hengshi Holdings Limited, by virtue of their relationship with Aowei International Developments Limited and Hengshi International Investments Limited as disclosed in note (2) above, is deemed to have provided an interest in 829,630,000 Shares as security to a person other than a qualified lender.
- (4) Fresh Idea Ventures Limited has a security interest in an aggregate of 829,630,000 Shares. Fresh Idea Ventures Limited is 100% controlled by Linewear Assets Limited, which in turn is 100% controlled by Huarong International Financial Holdings Limited. Huarong International Financial Holdings Limited is thus deemed to be interested in the aforesaid 829,630,000 Shares. Huarong International Financial Holdings Limited is controlled by Right Select International Limited and Camellia Pacific Investment Holding Limited as to 29.98% and 21.01%, respectively, while Right Select International Limited and Camellia Pacific Investment Holding Limited are 100% controlled by China Huarong International Holdings Limited. China Huarong International Holdings Limited is controlled by China Huarong Asset Management Co., Ltd. and Huarong Zhiyuan Investment & Management Co., Ltd.* as to 84.84% and 15.16%, respectively. Huarong Zhiyuan Investment & Management Co., Ltd.* is 100% controlled by China Huarong Asset Management Co., Ltd.. Accordingly, China Huarong Asset Management Co., Ltd. is deemed to be interested in the aforesaid 829,630,000 Shares.

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 2025.

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 2025.

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.

* For identification purpose only



OTHER INFORMATION

COMPETING BUSINESS AND CONFLICTS OF INTERESTS

As at 30 June 2025, 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 2025, 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 2025, the Group had 733 employees in total (the corresponding period in 2024: 797 employees in total). The total remuneration expenses and the amounts of other employees' benefit were approximately RMB33.6 million (the corresponding period in 2024: approximately RMB36.1 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 2025 and up to the date of this interim report.

OTHER INFORMATION



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 2025 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 2025 (2024: Nil).

MAJOR LEGAL PROCEEDING

During the six months ended 30 June 2025 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 2025

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	4	273,140	323,731
Cost of sales		(268,296)	(277,059)
Gross profit		4,844	46,672
Other income, gains and losses, net	6	5,861	2,365
Distribution expenses		(554)	(821)
Administrative expenses		(51,827)	(59,684)
Impairment losses under expected credit loss model, net	7	(8,542)	(10,128)
Finance costs	8	(27,941)	(30,720)
Loss before tax		(78,159)	(52,316)
Income tax credit	9	2,535	1,729
Loss for the period	10	(75,624)	(50,587)
Other comprehensive expense for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(40)	(69)
Total comprehensive expense for the period		(75,664)	(50,656)
Loss per share in RMB	12		
Basic		(0.05)	(0.03)
Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	13	919,666	939,560
Construction in progress	14	116,874	115,655
Intangible assets		40,568	44,973
Equity instruments at fair value through other comprehensive income ("FVTOCI")		62,831	62,831
Pledged bank deposits		–	158,913
Trade and other receivables	15	12,066	22,824
Deferred tax assets		147,403	147,263
		1,299,408	1,492,019
Current assets			
Inventories		100,842	111,083
Trade and other receivables	15	176,089	179,007
Pledged bank deposits		181,132	20,000
Restricted bank balances		21,069	21,043
Cash and cash equivalents		13,923	34,646
		493,055	365,779
Current liabilities			
Trade and other payables	16	213,252	205,308
Contract liabilities		42,132	40,004
Bank borrowings	17	773,500	632,992
Tax payable		12,288	14,689
Deferred income		1,360	960
Provision for reclamation obligations		6,960	6,693
		1,049,492	900,646

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	<i>Note</i>	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Net current liabilities		(556,437)	(534,867)
Total assets less current liabilities		742,971	957,152
Non-current liabilities			
Bank borrowings	17	97,000	239,000
Deferred income		13,040	10,080
Provision for reclamation obligations		20,981	20,458
		131,021	269,538
Net assets		611,950	687,614
Capital and reserves			
Share capital		131	131
Reserves		611,819	687,483
Total equity		611,950	687,614

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to equity shareholders of the Company								
	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 2024 (Audited)	131	1,142,640	84,556	30,971	(12)	(126,229)	–	(166,460)	965,597
Loss for the period	–	–	–	–	–	–	–	(50,587)	(50,587)
Other comprehensive expense for the period									
Item that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	(69)	–	–	–	(69)
Total comprehensive expense for the period	–	–	–	–	(69)	–	–	(50,587)	(50,656)
Transfer back to accumulated losses, net of provision	–	–	–	(1,885)	–	–	–	1,885	–
At 30 June 2024 (Unaudited)	131	1,142,640	84,556	29,086	(81)	(126,229)	–	(215,162)	914,941
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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

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 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash generated from operations	25,563	26,158
Income tax paid	(6)	–
Net cash from operating activities	25,557	26,158
Investing activities		
Purchase of property, plant and equipment and constructions in progress	(20,459)	(18,437)
Dividends received from equity instruments at FVTOCI	3,000	–
Other cash flows arising from investing activities	157	44
Net cash used in investing activities	(17,302)	(18,393)
Financing activities		
New bank and others borrowings raised	338,000	407,000
Repayments of bank and other borrowings	(339,492)	(364,508)
Repayment of lease liabilities	–	(1,000)
Interest paid	(27,446)	(29,848)
Net cash (used in) from financing activities	(28,938)	11,644
Net (decrease) increase in cash and cash equivalents	(20,683)	19,409
Cash and cash equivalents at 1 January	34,646	34,482
Effect of foreign exchange rate changes	(40)	(69)
Cash and cash equivalents at 30 June	13,923	53,822



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2025, 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. Hengshi International Investments Limited does not produce financial statements available for public use.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 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 Appendix D2 to 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 2024.

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 RMB75,624,000 for the six months ended 30 June 2025 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately RMB556,437,000, and the Group’s borrowings due within one year amounted to approximately RMB773,500,000 and has capital commitments of approximately RMB14,904,000, while its cash and cash equivalents amounted to approximately RMB13,923,000 only. These events and 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 directors, Mr. Li Yanjun who is also the chairman and ultimate controlling party of the Company, and Mr. Li Ziwei who is also the chief executive officer and ultimate controlling party of the Company have 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, these two directors will use their unsecured shares of the Company to provide the 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

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 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

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

For the six months ended 30 June 2024 (unaudited)

	Mining segment RMB'000
Types of goods	
Iron ore concentrates	306,694
Gravel materials	17,037
Total	323,731
Geographical markets	
The PRC	323,731
Timing of revenue recognition	
A point in time	323,731

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2025 and 30 June 2024. 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	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Loss on disposal of property, plant and equipment	(8)	–
Loss on written-off of property, plant and equipment	(31)	(434)
Government grant (Note)	640	480
Interest income	2,260	2,319
Dividends from equity instruments at FVTOCI	3,000	–
	5,861	2,365

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 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 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 subsidies are recognised as deferred income in the condensed 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.

Subsidies of RMB640,000 (six months ended 30 June 2024: RMB480,000) were recognised as other income during the six months ended 30 June 2025.

* For identification purpose only

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Reversal of impairment losses on:		
Trade receivables	4,982	1,604
Other receivables	934	50
Impairment losses on:		
Trade receivables	(14,458)	(11,558)
Other receivables	—	(224)
	(8,542)	(10,128)

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 2025 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses on:		
– Bank borrowings	26,557	29,785
– Discounted bills	457	29
– Lease liabilities	–	23
Unwinding interest expenses on:		
– Provision for reclamation obligations	927	883
	27,941	30,720

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	–	–
Overprovision in prior years		
PRC Enterprise Income Tax	2,395	21,043
Deferred tax		
Current period	140	(19,314)
	2,535	1,729

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	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	29,756	31,719
– Retirement benefits scheme contributions	2,992	3,226
– Redundancy cost	802	1,129
Total staff costs	33,550	36,074
Capitalised in inventories	(17,591)	(16,607)
	15,959	19,467
Transportation service fees	60,903	62,500
Capitalised in inventories	(60,349)	(61,679)
	554	821
Depreciation of property, plant and equipment (exclude right-of-use assets)	43,856	46,800
Depreciation of right-of-use assets	4,537	5,711
Amortisation of intangible asset	4,405	3,910
Total depreciation and amortisation	52,798	56,421
Capitalised in inventories	(44,656)	(42,351)
	8,142	14,070
Cost of inventories recognised as an expense	266,488	274,613

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. DIVIDENDS

No dividends were paid, declared or proposed during the interim period (six months ended 30 June 2024: 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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the purpose of basic loss per share	(75,624)	(50,587)

	Six months ended 30 June	
	2025	2024
	'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 2025 and 2024 were presented as there were no potential ordinary shares in issue for both six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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 RMB44,843,000 (31 December 2024: approximately RMB48,268,000). 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 2025, the Group acquired of property, plant and equipment (including right-of-use assets) with a cost of approximately RMB26,872,000 (six months ended 30 June 2024: approximately RMB328,000) and the depreciation of property, plant and equipment (including right-of-use assets) charged for the six months ended 30 June 2025 was approximately RMB48,393,000 (six months ended 30 June 2024: approximately RMB52,511,000).

During the six months ended 30 June 2025, the Group has written-off of property, plant and equipment with an aggregate carrying amount of approximately RMB31,000 (six months ended 30 June 2024: RMB434,000), resulting in a loss on written-off of approximately RMB31,000 (six months ended 30 June 2024: RMB434,000).

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

There is no disposal of property, plant and equipment during the six months ended 30 June 2024.

The Group's property, plant and equipment are substantially located in the PRC. As at 30 June 2025, the Group had not obtained title certificates of certain of its buildings and plants with an aggregate carrying amount of approximately RMB221,423,000 (31 December 2024: approximately RMB217,834,000). 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 2025, 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 RMB3,001,000 (six months ended 30 June 2024: RMB4,492,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade receivables	130,643	138,887
Less: Allowance for credit losses	(37,704)	(30,052)
Total trade receivables, net (Note (a))	92,939	108,835
Bills receivables (Note (b))	5,300	1,300
Bills receivables classified as non-current assets	(200)	—
Bills receivables, net	5,100	1,300
Prepayments and deposits (Note (c))	82,367	86,056
Amounts due from directors (Note (d))	315	315
Other receivables	11,601	10,626
Less: Allowance for credit losses	94,283 (4,367)	96,997 (5,301)
Total other receivables, net	89,916	91,696
Prepayments classified as non-current assets	(11,866)	(22,824)
Other receivables, net	78,050	68,872
Trade and other receivables, net, classified as current assets	176,089	179,007

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 to 30 days	5,560	7,008
31 to 90 days	15,629	14,489
91 to 180 days	3,814	13,039
181 to 365 days	23,395	13,882
More than 1 year	44,541	60,417
	92,939	108,835

(b) As at 30 June 2025, total bills receivable amounting to approximately RMB5,300,000 (31 December 2024: RMB1,300,000) 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. The bills receivables of approximately to RMB5,100,000 are with a maturity period of less than one year.

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

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Laiyuan County Huiguang Logistics Co., Ltd.*	7,780	10,557
Laiyuan County Ao Tong Transportation Co., Ltd.*	—	975
Laiyuan County Rui Tong Transportation Co., Ltd.*	24,767	27,590
	32,547	39,122

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. TRADE AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(d) The amounts due from directors are unsecured, interest-free and repayable on demand.

	Maximum amount outstanding during the six months ended 30 June 2025 RMB'000	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Mr. Li Yanjun	166	166	166
Mr. Li Ziwei	149	149	149
		315	315

16. TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade payables (Note (a))	89,050	86,911
Bills payables	40,000	40,000
Other taxes payables	11,879	11,219
Payables for construction work, equipment purchase and others	38,480	39,824
Interest payables	1,384	1,816
Amount due to a related party (Note (b))	4,000	—
Other payables	28,459	25,538
	213,252	205,308

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. TRADE AND OTHER PAYABLES (continued)

Notes:

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

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
0 to 30 days	29,709	33,419
31 to 90 days	11,882	8,326
91 to 180 days	7,437	8,327
181 to 365 days	7,987	4,721
More than 1 year	32,035	32,118
	89,050	86,911

(b) The amount due to a related party, Hebei Aowei (as defined in Note 20), is unsecured, interest-free and repayable on demand.

17. BANK BORROWINGS

During the six months ended 30 June 2025, the Group obtained new secured bank borrowings in aggregate of approximately RMB338,000,000 (six months ended 30 June 2024: RMB407,000,000). The bank borrowings carry interest at fixed market rates ranged 2.8% to 7.5% per annum and are repayable within 1 year. During the six months ended 30 June 2025, the Group has repaid the bank borrowings in aggregate of approximately RMB339,492,000 (six months ended 30 June 2024: RMB364,508,000).

The bank borrowing amounted of RMB80,000,000 is subject to the fulfilment of covenants relating to Laiyuan County Jiheng Mining Co., Ltd. ("Jiheng Mining") financial statement ratios (i.e. asset-liability ratio, current ratio and quick ratio). If the Group breaches the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2025, the Group breached the covenant of the bank borrowing, which are primarily related to the asset-liability ratio, current ratio and quick ratio of the Jiheng Mining. In any event, should the lender call for immediate repayment of the loan, the Directors believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Directors is 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. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The Directors works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

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 2025.

Reconciliation of Level 3 fair value measurements of financial assets

	Equity instruments at FVTOCI RMB'000
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	62,831

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. COMMITMENTS AND CONTINGENCIES

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

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Unaudited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	14,904	18,114

(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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. RELATED PARTY TRANSACTIONS (continued)

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

	Note	Six months ended 30 June	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Repayment of lease liabilities	(a)	—	1,000
Short term lease payment	(b)	860	—

Notes:

- (a) Repayment of lease liabilities represents office and car park rental paid and payable to Ritan Club.
- (b) Short term lease payment represent office and car park rental expenses paid and payable to Ritan Club.
- (c) As at 30 June 2025, the bank borrowing of RMB262,900,000 (31 December 2024: RMB264,600,000) is secured by the properties of Tong Da and guaranteed by certain subsidiaries of the Company, Mr. Li Yanjun and Mr. Li Ziwei.

As at 30 June 2025, the bank borrowing of RMB230,000,000 (31 December 2024: RMB236,992,000) 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 independent third parties.

As at 30 June 2025, the bank borrowing of RMB129,100,000 (31 December 2024: RMB129,400,000) is secured by the mining right of the Group and guaranteed by Mr. Li Yanjun and Mr. Li Ziwei.

As at 30 June 2025, the bank borrowing of RMB28,000,000 (31 December 2024: nil) is secured by the raw material of gravels of the Group and guaranteed by Mr. Li Ziwei.

As at 30 June 2025, the bank borrowing of RMB80,000,000 (31 December 2024: nil) 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.

As at 31 December 2024, the bank borrowing of RMB10,000,000 is secured by the tailings and solid waste of the Group and guaranteed by Mr. Li Yanjun and Mr. Li Ziwei.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Basic salaries, allowances and benefits in kind	1,982	1,928
Retirement scheme contributions	42	38
	2,024	1,966