潼關黃金集團有限公司
Tongguan Gold Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- For the six months ended 30 June 2026, the Group's net profit and profit attributable to owners of the Company amounted to approximately HK$537 million and HK$523 million, respectively, compared to approximately HK$350 million and HK$343 million, respectively, in 2025, representing an increase of approximately 53% and 53%, respectively.

- The basic earnings per share for 2026 were HK9.85 cents, compared to HK8.17 cents in 2025.

- Revenue for the six months ended 30 June 2026 amounted to approximately HK$1,575 million, compared to approximately HK$1,029 million in 2025, representing an increase of approximately 53%.

The board of directors (the "Board") of Tongguan Gold Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026, with the comparative figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026** ***HK$'000*** **(Unaudited)**	2025 *HK$'000* (Unaudited)
Revenue	*5*	**1,574,784**	1,028,737
Cost of sales		**(584,953)**	(498,602)
Gross profit		**989,831**	530,135
Other income		**6,862**	3,103
Other net gains (losses)		**1,931**	(715)
Administrative and other expenses		**(118,981)**	(81,298)
Finance costs	*6*	**(17,577)**	(19,844)
Profit before tax	*7*	**862,066**	431,381
Income tax expense	*8*	**(325,136)**	(80,897)
Profit for the period		**536,930**	350,484
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Fair value changes in equity investment at fair value through other comprehensive income		**5,279**	3,786
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**174,257**	48,738
Other comprehensive income for the period		**179,536**	52,524
Total comprehensive income for the period		**716,466**	403,008
Profit for the period attributable to:			
– Owners of the Company		**522,700**	342,643
– Non-controlling interests		**14,230**	7,841
		536,930	350,484

	Notes	**2026**	2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Total comprehensive income for the period attributable to:			
– Owners of the Company		**690,028**	391,015
– Non-controlling interests		**26,438**	11,993
		716,466	403,008
Earnings per share	*10*		
Basic		**HK9.85 cents**	HK8.17 cents
Diluted		**HK9.77 cents**	HK8.16 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**2,222,939**	2,076,115
Right-of-use assets		**84,200**	73,926
Exploration and evaluation assets		**2,120,105**	2,018,846
Goodwill		**1,173,434**	787,554
Other intangible assets		**269,327**	237,373
Other financial asset		**12,677**	7,398
Amounts due from associates		**128,658**	63,935
Interests in associates		**3,916**	3,765
Financial asset at fair value through profit or loss ("FVTPL")		**47,906**	54,434
Other receivable and deposit	*11*	**11,513**	17,271
Deferred tax assets		**47,066**	–
		6,121,741	5,340,617
Current assets			
Inventories		**249,170**	272,277
Trade and other receivables, deposits and prepayments	*11*	**628,859**	166,474
Restricted bank deposits		**57,565**	110,710
Cash and cash equivalents		**760,089**	638,491
		1,695,683	1,187,952
Current liabilities			
Other payables	*12*	**766,374**	743,263
Bank and other borrowings		**700,795**	454,132
Contract liabilities		**42,439**	38,310
Convertible bond		**11,887**	17,833
Lease liabilities		**1,631**	986
Tax payables		**360,115**	272,824
		1,883,241	1,527,348
Net current liabilities		**(187,558)**	(339,396)
Total assets less current liabilities		**5,934,183**	5,001,221

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current liabilities			
Bank and other borrowings		**33,455**	23,083
Other payables	12	**115,333**	165,139
Contract liabilities		**162,636**	177,276
Convertible bond		–	17,708
Contingent consideration payables		**37,804**	53,010
Provision for restoration and environmental costs		**17,895**	16,900
Lease liabilities		**518**	771
Deferred tax liabilities		**403,040**	374,098
		770,681	827,985
Net assets		**5,163,502**	4,173,236
Capital and reserves			
Share capital		**531,369**	519,769
Treasury shares		**(15,919)**	–
Share premium and reserves		**4,364,535**	3,469,075
Equity attributable to owners of the Company		**4,879,985**	3,988,844
Non-controlling interests		**283,517**	184,392
Total equity		**5,163,502**	4,173,236

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The 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 change in accounting policies resulting from application of the amendments to HKFRS Accounting Standards ("HKFRSs") which relevant to the Group and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's audited annual consolidated financial statements for the year ended 31 December 2025 (the "Annual Report 2025").

Basis of measurement and going concern assumption

The Group had net current liabilities of approximately HK$187,558,000 at 30 June 2026.

Notwithstanding the above, the condensed consolidated financial statements have been prepared on a going concern basis as the directors of the Company ("Directors") have given careful consideration to the current and anticipated future liquidity needs of the Group. The Directors have prepared a cash flow forecast covering the next 12 months from the end of reporting period. In preparing the cash flow forecast, the Directors have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing in assessing.

Having taken into account the above, the Directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Application of amendments to HKFRS Accounting Standards

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

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

The application of the amendments to HKFRS Accounting Standards in the current 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 condensed consolidated financial statements.

(a) Revenue from contracts with customers

Revenue is recognised at a point in time on a net basis when the performance obligation is satisfied, which is generally upon the completion of a transaction on the Group's e-platforms for gold recycling operation. This revenue is calculated based on a percentage of the transaction value. The Group acts as an agent as it does not control the specified goods or services before they are transferred to the customer.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3. SIGNIFICANT EVENTS AND TRANSACTIONS

On 9 January 2026, the Group completed the acquisition of 100% equity interest of Longxin Construction Development Limited and its subsidiaries settled by issuance of 110,000,000 ordinary shares of the Company.

On 18 May 2026, the Group completed the acquisition of 100% equity interest of Hong Kong Yao Long Trading Limited and its subsidiaries (collectively referred to as the "Yao Long Group") at a consideration of RMB40,000,000 (equivalent to approximately HK$46,245,000).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the Group's Annual Report 2025. In addition, management makes assumptions about the future in deriving critical accounting estimates used in preparing the condensed consolidated interim financial information.

5. REVENUE AND SEGMENT REPORTING

Information is reported internally to the board of directors of the Company (the "Board"), being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or services provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions.

For the gold mining operation, the information reported to the CODM is further categorised into different mining locations within the People's Republic of China (the "PRC"), each of which is considered as a separate operating segment by the CODM. For the purpose of segment reporting, the CODM considered that the operations of different mining locations are related to the mine-produced gold business, these individual operating segments have been aggregated into a single reportable segment.

During the period, the Group completed the acquisition of Yao Long Group. This newly acquired business operates through an electronic platform acting as an agent for gold recycling operation. It shares the same underlying nature of business. Consequently, it has been aggregated into the existing gold recycling operation reportable segment. Accordingly, the Board reviews the business with the following reportable segments:

1. Gold mining operation – sale of mine-produced gold, including gold concentrate, gold bullion and related products, which contains of gold exploration, mining, processing and/or smelting operations in the PRC

2. Gold recycling operation – purchasing of gold related materials, refining and sale of gold bullion and provision of gold recycling services through its self-developed e-platform in the PRC

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the Board when making decisions about allocating resources and assessing performance of the Group.

The segment results represent the gross profit earned by each segment (segment revenue less segment cost of sales). Other income, other net gains/losses, administrative and other expenses, finance costs and income tax expense are not allocated to each reportable segment. This is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

The information of segment results is as follows:

For the six months ended 30 June 2026

	Gold mining operation *HK$'000* **(Unaudited)**	**Gold recycling operation** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Revenue	**1,571,548**	**3,236**	**1,574,784**
Cost of sales	**(582,607)**	**(2,346)**	**(584,953)**
Segment results	**988,941**	**890**	**989,831**

For the six months ended 30 June 2025

	Gold mining operation *HK$'000* (Unaudited)	Gold recycling operation *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Revenue	1,028,737	–	1,028,737
Cost of sales	(498,602)	–	(498,602)
Segment results	530,135	–	530,135

The reportable segment results are reconciled to profit for the period of the Group as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Reportable segment results	**989,831**	530,135
Unallocated income and expenses:		
Other income	**6,862**	3,103
Other net gains (losses)	**1,931**	(715)
Administrative and other expenses	**(118,981)**	(81,298)
Finance costs	**(17,577)**	(19,844)
Profit before tax	**862,066**	431,381
Income tax expense	**(325,136)**	(80,897)
Profit for the period	**536,930**	350,484

The Group recognises revenue on sale of gold products and provision of gold recycling services at a point in time when control of the goods or services are transferred, being when goods or services are delivered or rendered to the customers in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transportation and other related activities that occur before customers obtain control of the related goods or services are considered as fulfilment activities. Except for the unsatisfied obligation under the streaming agreement as stated below, there is no other unsatisfied performance obligation at the end of each of the reporting periods.

Under the streaming agreement, the transaction price allocated to the remaining unsatisfied or partially satisfied performance obligation as at 30 June 2026 is as follows:

	As at	
	30 June	30 June
	2026	2025
	HK$'000	*HK$'000*
Within one year	**30,848**	29,832
More than one year	**162,636**	192,452
	193,484	222,284

As no discrete information in respect of segment assets, segment liabilities and other information is used for the assessment of performance and allocation of resources, thus no analysis of segment assets and segment liabilities is presented.

Geographical information

No geographical analysis is presented as the Group's revenue and profit from operations were primarily derived from operating activities in the PRC.

Information about major customers

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**N/A** *(Note)*	647,295
Customer B	**–**	159,006
Customer C	**N/A** *(Note)*	117,688

Included in revenue, amount of approximately HK$1,154,125,000 for the six months period ended 30 June 2026 is derived from selling gold bullion in a trading platform of Shanghai Gold Exchange through a member registered in Shanghai Gold Exchange. For the six months ended 30 June 2025, such revenue contributed less than 10% of the Group's total revenue. Included in revenue, amount of approximately HK$19,181,000 is released from contract liabilities under the streaming agreement for the six months period ended 30 June 2026 (for the six months ended 30 June 2025: HK$9,664,000).

Note: The corresponding revenue for the six months ended 30 June 2026 for Customer A and C contributed of less than 10% of total revenue of the Group.

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**12,710**	15,287
Interest expenses on lease liabilities	**52**	96
Interest on promissory note payable at amortised cost	**–**	3,503
Interest expense on contract liabilities under the streaming agreement	**4,718**	882
Interest expense on convertible bond	**97**	76
	17,577	19,844

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Directors' emoluments	**3,161**	2,597
Other staff's salaries, bonus and allowances	**64,974**	36,559
Other staff's contribution to retirement benefits schemes	**7,808**	3,246
Share-based payment expenses	**13,550**	2,344
Total staff costs	**89,493**	44,746
Amortisation of other intangible assets	**12,402**	9,002
Cost of sales comprise of:		
– Cost of inventories recognised as an expense *(Note (a))*	**418,314**	417,563
– Taxes and surcharges *(Note (b))*	**164,293**	81,039
Depreciation charges		
– property, plant and equipment	**58,760**	51,832
– right-of-use assets		
– office premise and factories	**1,354**	460
– prepaid lease payments	**1,007**	1,748

Notes:

(a) Costs of inventories recognised as an expense mainly include mining extraction costs and mining ore processing costs of approximately HK$328,745,000 (six months ended 30 June 2025: approximately HK$354,141,000), amortisation and depreciation charges of approximately HK$69,388,000 (six months ended 30 June 2025: approximately HK$55,799,000) and staff costs of approximately HK$20,181,000 (six months ended 30 June 2025: approximately HK$7,623,000).

(b) Taxes and surcharges mainly include resource tax of approximately HK$78,134,000 (six months ended 30 June 2025: approximately HK$27,603,000) and forest and grassland compensation fee of approximately HK$80,034,000 (six months ended 30 June 2025: approximately HK$43,595,000), both of which are calculated based on revenue in accordance with relevant regulations.

8. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2026 and 30 June 2025.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries is 25%.

Pursuant to the Notice of the Ministry of Finance, 財政部國家稅務總局海關總署關於深入實施西部大開發戰略有關稅收政策問題的通知(財稅[2011]58號) (transliterated as General Administration of Customs and the State Administration of Taxation on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58)*), from 1 January 2011, the enterprises in the western region, which engaged in encouraged industries as indicated in the 西部地區鼓勵類產業目錄 (transliterated as Catalogue of Encouraged Industries of Western Region*) and 產業結構調整指導目錄(2011年本)(修正) (transliterated as Catalogue of Industrial Structure Adjustment Guidance (2011 Revised)*) (國家發改委令2013年第21號) (transliterated as National Development and Reform Commission Order 2013 No. 21*) and which derive 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting in-charge tax bureau's approval, certain subsidiaries of the Group could enjoy a reduced EIT rate of 15% from statutory EIT rate of 25% up to 2030.

* *The English translation of the names are for reference only.*

Income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax – PRC EIT:		
– Provision for the period	**217,926**	70,790
– Underprovision in prior year	**95,208**	357
	313,134	71,147
Deferred tax	**12,002**	9,750
	325,136	80,897

9. DIVIDEND

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
2024 Final dividend of HK1.2 cents per ordinary share	**–**	52,772
2025 Final dividend of HK3.2 cents per ordinary share	**170,038**	–

No interim dividend was declared for ordinary shareholders of the Company for the six months ended 30 June 2026, nor has any dividend been proposed for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

10. EARNINGS PER SHARE

(a) Basic Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately HK$522,700,000 (six months ended 30 June 2025: approximately HK$342,643,000) and the weighted average number of ordinary shares of approximately 5,307,740,000 in issue excluding treasury shares during the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 4,196,203,000).

(b) Diluted Earnings per share

The calculation of the diluted earnings per share attributable to owners of the Company for the six months ended 30 June 2026 and 2025 is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company	**522,700**	342,643
Adjustments for interest on convertible bond, net of tax	**81**	63
Adjustments for fair value changes on derivative component of convertible bond, net of tax	**(944)**	–
Profit attributable to owners of the Company for diluted earnings per share	**521,837**	342,706

	Six months ended 30 June	
	2026	2025
	Number of shares	*Number of shares*
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue (excluding treasury shares) in issue	**5,307,740**	4,196,203
Effect of dilutive potential ordinary shares on convertible bond	**6,133**	5,209
Effect of dilutive potential ordinary shares on share options	**27,918**	–
Weighted average number of ordinary shares for diluted earnings per share	**5,341,791**	4,201,412
	HK Cents	*HK Cents*
Diluted earnings per share	**9.77**	8.16

During the six months ended 30 June 2026, the dilutive potential ordinary shares included the conversion of convertible bonds outstanding and share options outstanding. The potential issuable ordinary shares in relation to contingent consideration payables were not included in the calculation of diluted earnings per share as the relevant conditions had not been met as at 30 June 2026.

During the six months ended 30 June 2025, the dilutive potential ordinary shares included the conversion of convertible bonds outstanding. The potential issuable ordinary shares in relation to share options and contingent consideration payables were not included in the calculation of diluted earnings per share as the relevant conditions had not been met as at 30 June 2025.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables *(Note (a))*	**167,131**	94,674
Less: loss allowance	**–**	–
	167,131	94,674
Other receivables	**303,503**	55,173
Loan receivable	**14,967**	14,392
Less: loss allowance *(Note (b))*	**(490)**	(26,507)
	317,980	43,058
Deposits and prepayments	**135,600**	45,419
Amount due from a related party	**16,948**	–
Value added tax recoverable	**2,713**	594
	640,372	183,745
Analysed for reporting purposes as:		
– current portion	**628,859**	166,474
– non-current portion	**11,513**	17,271
	640,372	183,745

Notes:

(a) The following is an aged analysis of trade receivables net of allowance for impairment losses under expected credit loss model presented based on invoice dates/date of delivery of goods:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**167,131**	94,674

(b) Movement in impairment loss allowance under expected credit loss model on other receivables:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At 1 January	**26,507**	9,242
Impairment loss recognised	**–**	17,227
Written-off of impairment loss	**(27,334)**	–
Exchange adjustments	**1,317**	38
At 30 June/31 December	**490**	26,507

12. OTHER PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Other payables and accruals	**544,524**	692,169
Amounts due to related parties	**167,145**	216,233
Dividend payables	**170,038**	–
	881,707	908,402
Analysed for reporting purposes as:		
– current portion	**766,374**	743,263
– non-current portion	**115,333**	165,139
	881,707	908,402

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS REVIEW

For the six months ended 30 June 2026 (the "Interim Period"), Tongguan Gold Group Limited (the "Company") together with its subsidiaries (the "Group") recorded the revenue amounted to approximately HK$1,574,784,000, representing an increase of approximately 53% as compared to the revenue of approximately HK$1,028,737,000 for the corresponding period in 2025. The increase in revenue was mainly attributable to the increase in its higher average selling price of mine-produced gold. Detailed analysis is set out in below "Review of Operations" section.

Administrative and other expenses amounted to approximately HK$118,981,000, representing an increase of approximately 46% from approximately HK$81,298,000 for the corresponding period in 2025. This rise was primarily driven by the inclusion of expenses from Longxin Construction Development Limited and its subsidiaries following their acquisition in January 2026, as well as higher staff costs resulting from increased headcount and salary adjustments, together with the recognition of share-based payments for both employees and directors.

The Group recorded the finance costs amounted to approximately HK$17,577,000, representing a decrease of approximately 11% from approximately HK$19,844,000 for the corresponding period in 2025 and was mainly due to a decrease in interest on promissory notes payable at amortised cost, resulting from their settlement in the second half of 2025.

Income tax expense was increased by approximately HK$244,239,000 as compared to income tax expense of approximately HK$80,897,000 for the corresponding period in 2025. The increase was mainly due to (i) an increase in the overall gross profit in the Interim Period; and (ii) one-off 2025 income tax expense of approximately HK$94,301,000 was made. Such one-off expense arose as one of the Company's subsidiaries, which had entitled to preferential tax policies for high tech enterprises, was subject to tax guidance pursuant to a notice issued by the competent tax authority and was required to make supplementary tax payments.

The Group recorded profit for the Interim Period attributable to owners of the Company of approximately HK$522,700,000, representing an increase of approximately 53% from approximately HK$342,643,000 for the corresponding period in 2025 and was mainly due to the increase in its higher average selling price of mine-produced gold in the Interim Period.

A. Gold Mining Operation

The activity of the Group's gold mining operations is sale of mine-produced gold, including gold concentrate, gold bullion and related products, that contains of gold exploration, mining, processing and/or smelting operations.

For the Interim Period, the Group's revenue from gold mining operation amounted to approximately HK$1,571,548,000, representing an increase of approximately 53% from approximately HK$1,028,737,000 for the corresponding period in 2025 and was primarily contributed by the increase in average selling price of mine-produced gold by upward trend of gold from RMB666 per gram for the corresponding period in 2025 to RMB965 per gram in the Interim Period. The sales volume of mine-produced gold during the Interim Period was 1.43 tonnes, compared to 1.44 tonnes in the corresponding period of 2025.

The cost of sales amounted to approximately HK$582,607,000, representing an increase of approximately 17% from approximately HK$498,602,000 for the corresponding period in 2025. As a result, the gross profit from this operation amounted to approximately HK$988,941,000 (gross profit margin of 62.9%), representing an increase in approximately 87% as compared with gross profit of approximately HK$530,135,000 (gross profit margin of 51.5%) for the corresponding period in 2025. The increase in gross profit margin was mainly driven by the rise in the average selling price of mine-produced gold and effective cost control during the Interim Period.

B. Gold Recycling Operation

The Group's gold recycling operation previously involved the sale of physical gold bullion, whereby gold-related materials were purchased from other supply chain participants and refined by subcontractors. On 18 May 2026, the Group acquired 100% equity interest of Hong Kong Yao Long Trading Limited and its subsidiaries, through which the business was extended to include gold recycling services. The Group now provides such services through its self-developed e-platform, and the Group generates service fees in the process. Approximately HK$3,236,000 of revenue and approximately HK$2,346,000 of cost of sales were contributed from this operation for the six months ended 30 June 2026. Gross profit amounted to approximately HK$890,000 for the six months ended 30 June 2026. No transaction was made during the six months ended 30 June 2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group had total assets and net assets of approximately HK$7,817,424,000 (31 December 2025: approximately HK$6,528,569,000) and approximately HK$5,163,502,000 (31 December 2025: approximately HK$4,173,236,000), respectively. The current ratio was approximately 0.90 (31 December 2025: approximately 0.78).

As at 30 June 2026, the Group had bank balances and cash, of approximately HK$760,089,000 (31 December 2025: approximately HK$638,491,000), of which most were denominated in Renminbi, United States dollar and Hong Kong dollar.

As at 30 June 2026, the Group had total bank and other borrowings of approximately HK$734,250,000 (31 December 2025: approximately HK$477,215,000) which were denominated in Renminbi, including the effective interest rates ranged from 1.50% to 6.29% (31 December 2025: 3.00% to 5.40%) per annum. This included bank borrowings with variable market rates ranged from loan prime rate ("LPR")-0.30% to LPR+1.10% (31 December 2025: from LPR+0.85%) per annum. The increase in total borrowings is mainly attributable to leverage optimization. The Group has strategically utilized debt financing to enhance financial flexibility and support ongoing investment activities. The gearing ratio, as a ratio of total sum of bank and other borrowings to total equity was approximately 14.2% (31 December 2025: approximately 11.4%).

CONVERTIBLE BOND AND CONTINGENT CONSIDERATION PAYABLES

On 24 January 2025, 60-months convertible bond in the aggregate principal amount of RMB30,000,000 in HK$ equivalent (i.e., HK$33,000,000, subject to adjustment) with 0% interest per annum (the "Convertible Bond") was issued by the Company pursuant to the sale and purchase agreement dated 27 September 2024 in regards of the completion of acquisition of Huasheng Construction Investment Limited. Upon exercise of the conversion rights attached to the Convertible Bond in full, the Convertible Bond can be converted into 30,000,000 new shares of the Company at conversion price of RMB1.0 in HK$ equivalent (i.e., HK$1.1) per conversion share. Details are set out in the announcements of the Company dated 27 September 2024, 17 October 2024, 20 December 2024 and 24 January 2025.

As at 30 June 2026, RMB24,000,000 principal amount of the Convertible Bond remained outstanding. The management performed a fair value assessment and engaged an independent valuer to conduct an assessment on the Convertible Bond at the end of the Interim Period. As at 30 June 2026, the debt component and derivative component stated at fair value derived from the convertible bond and contingent consideration payables at fair value were assessed at approximately HK$5,576,000, HK$6,311,000 and HK$37,804,000 respectively.

FOREIGN EXCHANGE RISK MANAGEMENT

As part of the Group's assets and liabilities are denominated in Hong Kong dollar, United States dollar and Canadian dollar, in order to minimise the foreign currency risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

SHARE CAPITAL

On 9 January 2026, the Company issued 110,000,000 new ordinary shares as the consideration paid for the acquisition of the entire equity interests in Longxin Construction Development Limited (as stated in heading "Material acquisitions and disposals of subsidiaries, associated companies and joint ventures" as below).

As at 30 June 2026, the Company had 5,313,692,221 ordinary shares in issue with a total shareholders' fund of the Group amounting to approximately HK$531,369,000.

SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE AND USE OF PROCEEDS FROM THE SUBSCRIPTION

On 22 April 2025, the Company has allotted and issued an aggregate of 327,420,000 shares with a subscription price of HK$0.69 each, pursuant to two subscription agreements dated 8 April 2025 (the "2025 Subscriptions"). The net proceed from the 2025 Subscriptions was approximately HK$225.5 million.

Further details of the 2025 Subscriptions were set out in the announcements of the Company dated 8 April 2025 and 22 April 2025.

The following table summarizes the utilisation of net proceeds from the 2025 Subscriptions for the six months ended 30 June 2026:

	Planned use of net proceeds	**Unused amount of net proceeds as at 31 December 2025**	**Actual use of net proceeds during the Interim Period**	**Unused amount of net proceeds as at 30 June 2026**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
(i) Development of the mining production line with production capacity of 450 tons of ores per day *(Note 1)*	80	16	16	–
(ii) Conducting the mines drilling activities *(Note 2)*	50	10	10	–
(iii) Construction of dormitory and related facilities at the mining locations of the Group *(Note 1)*	20	2	2	–
(iv) Green mining construction *(Notes 1 and 3)*	13	4	1	3
(v) Replenishing the working capital of the Group	62.5	25.5	25.5	–
Total	225.5	57.5	54.5	3

Notes:

1. The amount is expected to be utilised in the next 12 months from May 2025.

2. The amount is expected to be utilised in the next 24 months from May 2025.

3. The acceptance and verification process of the construction project are in the final status and the unused amount of net proceeds as at 30 June 2026 would be fully utilised in October 2026.

PLEDGE OF ASSETS

As at 30 June 2026, the Group has pledged certain property, plant and equipment, right-of-use assets and other intangible assets with carrying amounts of approximately HK$86,553,000, HK$20,976,000 and HK$71,928,000 (31 December 2025: HK$37,157,000, HK$46,183,000 and HK$78,109,000) respectively to secure bank borrowings granted to the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any contingent liabilities (31 December 2025: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

On 9 January 2026, the Group acquired the entire equity interests in Longxin Construction Development Limited, which was satisfied by the issue and allotment of 110,000,000 ordinary shares of the Company.

On 18 May 2026, the Group acquired the entire equity interests in Hong Kong Yao Long Trading Limited, which was satisfied by the cash consideration of RMB40,000,000.

Saved as disclosed above, there were no material acquisitions or disposals of subsidiaries, associated companies or joint ventures during the Interim Period.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 12 and 908 employees in Hong Kong and the People's Republic of China (the "PRC") respectively.

The staff cost of the Group (including directors' remuneration in form of salary and other benefits, share-based payments, performance related incentive payments and retirement benefit contributions) was approximately HK$89,493,000 for the Interim Period (six months ended 30 June 2025: approximately HK$44,746,000). There was a share-based payment of approximately HK$13,550,000 arising from grant of share options for the Interim Period (six months ended 30 June 2025: HK$2,344,000).

Directors' remuneration was fixed with reference to their duties and responsibilities with the Company as well as the Company's remuneration policy.

Employees of the Group are remunerated at a competitive level and are rewarded according to their performance. Our Group's remuneration packages include medical scheme, group insurance, mandatory provident fund for Hong Kong employees, social insurance packages for the PRC employees, performance bonus and share option scheme. The Group is also dedicated to providing training programs for new employees and regular trainings to employees to enhance their skills and know-how.

According to the share option scheme adopted by the Company on 6 June 2024, share options may be granted to directors, employees and other eligible participants of the Group to subscribe for shares in the Company in accordance with the terms and conditions stipulated therein.

BUSINESS REVIEW

In the first half of 2026, the international gold market experienced pronounced volatility, marked by a rally followed by consolidation. According to data from the World Gold Council, global gold demand, trading volume, and market liquidity all reached historic highs during this period. Prices surged to historic levels in the first quarter of 2026, driven by intensifying geopolitical tensions and expectations of central bank rate cuts. However, as major central banks slowed the pace of monetary easing, high interest rates persisted longer than anticipated, prompting profit-taking and leading to a phase of consolidation and retreat. Against this dynamic macroeconomic backdrop, the Group advanced steadily under a strategic framework focused on operational efficiency and sustainable value creation. As a result, profit attributable to owners of the Company reached a new record high of approximately HK$522,700,000, representing a remarkable 53% growth compared with the corresponding period in 2025, which has fully validated the success of our strategic realignment.

In terms of cost management, the Group successfully completed a major vertical integration acquisition of Longxin Construction Development Limited and its subsidiaries in January 2026. With the transaction completed, management has focused on the integration of the acquired workforce and the release of synergy effects. By streamlining internal processes and securing strategic resources, the Group effectively reduced intermediary costs, thereby strengthening long-term cost competitiveness and profitability resilience. Simultaneously, the Group completed another vertical integration acquisition of Hong Kong Yao Long Trading Limited and its subsidiaries in May 2026, driving a strategic "business model upgrade" in gold recycling operation. The Group has operated in gold recycling, primarily through traditional "buy, refine and sell" trading. During the period, the acquisition enabled further enhancement and extension of this existing business line, with the Group now providing gold recycling services through its self-developed e-platform and adopting a service fee income model. As an upgraded and deepened paradigm of the Group's gold recycling operation, this model not only extends and supplements the value chain but also establishes a new driver for enhancing Group value.

Alongside business expansion, the Group places paramount importance on sustainable development and Environmental, Social and Governance ("ESG") performance. During the period, the Group engaged professional ESG adviser to conduct a systematic review and upgrade of its corporate sustainability framework, while concurrently optimizing and revamping the dedicated ESG section of its official website. Supported by this refined operational framework and enhanced disclosure transparency, leading ESG rating agencies upgraded the Group's rating to "A" during the period. This upgrade reflects capital market recognition of the Group's ESG progress, aligns with the sustainability standards of global institutional investors, and positions the Group with the potential to attract high quality long term capital and sustainability focused funds. It further reinforces the Group's standing as a responsible corporate entity committed to long term value creation.

PROSPECTS

Looking ahead, as highlighted by the World Gold Council, the global gold market is undergoing a structural paradigm shift, evolving from a traditional "tactical safe-haven tool" into a "structural core allocation" within institutional and central bank balance sheets. With the successful completion of two strategic acquisitions during the first half of 2026, the Group has established a solid dual advantage across resource base and value added service chain. Going forward, the Group will continue to evaluate opportunities to acquire high quality gold assets both locally and internationally, with the potential to broaden market presence, diversify revenue streams, and strengthen industry leadership.

In terms of capital market standing, following our inclusion in multiple global benchmark indices last year, the Group hit another key milestone with its official inclusion in Hang Seng Composite Index in August 2026. This achievement reflects market recognition of the Group's fundamentals and long term enterprise value, enhances stock liquidity and broadens the investor base.

To underscore its commitment to safeguarding investor interests and maintaining capital market trust, the Company's major shareholder voluntarily increased its equity stake, followed by active share repurchases executed by the Group. This coordinated action reflects confidence from controlling shareholders in the Group's strategic execution, operational momentum, and long term prospects, while optimizing the capital structure and shareholder returns through share repurchases.

Amid a changing macroeconomic environment, the Group will remain agile and pursue steady growth, advancing toward a new stage of high quality and sustainable development. Supported by structural tailwinds in gold assets, synergies from vertical acquisitions completed in the first half of 2026, strategic advantages from inclusion in Hang Seng Composite Index, confidence demonstrated by the major shareholder, and proactive capital allocation policies (including stable dividends and share repurchase), the management is confident in strengthening the Group's market position. At the outset of a new growth cycle, the Group remains committed to delivering sustainable value for shareholders.

CORPORATE GOVERNANCE

The Company is committed to comply with its established best practice in corporate governance based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The Board believes that good corporate governance is crucial to enhance the performance of the Group and to safeguard the interests of the shareholders of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF THE LISTING RULES

The Company has complied with the code provisions of the CG Code as set out in Appendix C1 of the Listing Rules during the Interim Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Upon specific enquiries, all Directors confirmed they had complied with the required standards set out in the Model Code during the Interim Period.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive Directors. They are responsible for ensuring the quality and integrity of internal control, conducting review of the Group's accounting principles and practices, risk management and the Group's interim and annual accounts.

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

During the six months ended 30 June 2026, the Company has repurchased 9,030,000 shares of the Company ("Shares") on the Stock Exchange with total consideration of HK$15,886,134, which were held as treasury shares. Details of the Shares repurchased on the Stock Exchange during the six months ended 30 June 2026 are as follows:

Month of Repurchase	No. of Shares Repurchased	Highest Price Paid Per Share	Lowest Price Paid Per Share	Aggregate Consideration
		HK$	*HK$*	*HK$*
June 2026	9,030,000	1.85	1.66	15,886,134
Total	9,030,000			15,886,134

The Directors of the Company believe that the above repurchases are in the best interests of the Company and its Shareholders and that such repurchases would lead to an enhancement of the Company's net asset value per share and/or earnings per share. As at 30 June 2026, there were 9,030,000 treasury shares held by the Company. The Board is of the view that the Company's repurchases and holding of Shares as treasury shares provides flexibility for cancellation, allocation to staff incentive and benefit programs, re-issuance for financing, use as consideration in mergers or asset acquisitions, fulfilment of obligations under convertible instruments, and other lawful corporate purposes permitted under applicable laws and the Listing Rules.

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the six months ended 30 June 2026.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company and management have reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated interim financial statements of the Group for the Interim Period.

In addition, the condensed consolidated interim financial statements of the Group for the Interim Period have been reviewed by Rongcheng (Hong Kong) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Interim Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published in the Company's website (www.tongguangold.com) and the designated website of the Stock Exchange (www.hkexnews.hk). The interim report will be available on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Tongguan Gold Group Limited
Jiang Zhiyong
Chairman and Executive Director

Hong Kong, 25 August 2026

As at the date of this announcement, the board of directors of the Company comprises Mr. Jiang Zhiyong, Mr. Wang Dequan, Mr. Shi Xingzhi, Mr. Shi Shengli, Mr. Yeung Kwok Kuen and Ms. Feng Fangqing as executive directors, Mr. Chu Kang Nam, Mr. Liang Xushu and Mr. Leung Ka Wo as independent non-executive directors.