

CHINA GOLD INTERNATIONAL RESOURCES
CORP. LTD.

(incorporated in British Columbia, Canada
with limited liability)

Condensed Consolidated Financial Statements
For the three and nine months ended September 30, 2024

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 (unaudited)

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CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 (unaudited)

	NOTES	Three months ended September 30,		Nine months ended September 30,	
		2024 US\$'000 (unaudited)	2023 US\$'000 (unaudited)	2024 US\$'000 (unaudited)	2023 US\$'000 (unaudited)
Revenue	3	254,581	62,325	463,079	388,119
Cost of sales		(207,762)	(76,616)	(398,313)	(305,850)
Mine operating earnings (loss)		<u>46,819</u>	<u>(14,291)</u>	<u>64,766</u>	<u>82,269</u>
Expenses					
General and administrative expenses	4	(9,944)	(11,399)	(29,689)	(28,879)
Exploration and evaluation expenditure		(49)	(271)	(191)	(351)
Research and development expenses		(4,704)	(1,756)	(7,604)	(7,840)
		<u>(14,697)</u>	<u>(13,426)</u>	<u>(37,484)</u>	<u>(37,070)</u>
Income (loss) from operations		<u>32,122</u>	<u>(27,717)</u>	<u>27,282</u>	<u>45,199</u>
Other income (expenses)					
Foreign exchange gain (loss), net		2,670	1,092	2,070	(7,276)
Interest and other income		1,411	1	5,204	5,899
Other expenses	5	(345)	(79)	(9,799)	(22,693)
Finance costs	6	(5,692)	(5,737)	(17,077)	(19,323)
		<u>(1,956)</u>	<u>(4,723)</u>	<u>(19,602)</u>	<u>(43,393)</u>
Profit (loss) before income tax		30,166	(32,440)	7,680	1,806
Income tax (expenses) credit	7	(2,293)	1,662	(10,699)	(7,263)
Profit (loss) for the period		<u>27,873</u>	<u>(30,778)</u>	<u>(3,019)</u>	<u>(5,457)</u>
Other comprehensive (expenses) income for the period					
<i>Item that will not be reclassified to profit or loss:</i>					
Fair value (loss) gain on equity instruments at fair value through other comprehensive income ("FVTOCI")		(3,347)	12,001	11,847	8,801
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange difference arising on translation		9,901	5,144	6,182	(23,702)
		<u>6,554</u>	<u>17,145</u>	<u>18,029</u>	<u>(14,901)</u>
Total comprehensive income (expenses) for the period		<u>34,427</u>	<u>(13,633)</u>	<u>15,010</u>	<u>(20,358)</u>
Profit (loss) for the period attributable to					
Non-controlling interests		750	900	1,532	2,137
Owners of the Company		<u>27,123</u>	<u>(31,678)</u>	<u>(4,551)</u>	<u>(7,594)</u>
		<u>27,873</u>	<u>(30,778)</u>	<u>(3,019)</u>	<u>(5,457)</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

		Three months ended September 30,		Nine months ended September 30,	
	<u>NOTE</u>	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)
Total comprehensive income (expenses) for the period attributable to					
Non-controlling interests		751	906	1,533	2,146
Owners of the Company		33,676	(14,539)	13,477	(22,504)
		<u>34,427</u>	<u>(13,633)</u>	<u>15,010</u>	<u>(20,358)</u>
Earnings (loss) per share - Basic (US cents)	9	<u>6.84</u>	<u>(7.99)</u>	<u>(1.15)</u>	<u>(1.92)</u>
Weighted average number of common shares - Basic	9	<u>396,413,753</u>	<u>396,413,753</u>	<u>396,413,753</u>	<u>396,413,753</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2024 (unaudited)

	<u>NOTES</u>	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Current assets			
Cash and cash equivalents		229,158	97,237
Restricted balances	18	68,421	67,693
Term deposits	10	78,488	-
Trade and other receivables	11	9,427	17,076
Tax recoverable		-	2,286
Prepaid expenses and deposits	12	1,065	339
Inventories	13	300,051	291,553
		<u>686,610</u>	<u>476,184</u>
Non-current assets			
Prepaid expenses and deposits	12	30,916	768
Right-of-use assets	14	47,689	39,791
Equity instruments at FVTOCI	19	59,009	47,153
Property, plant and equipment	14	1,423,977	1,481,901
Mining rights	14	761,276	773,117
Other non-current assets	20	15,972	15,802
		<u>2,338,839</u>	<u>2,358,532</u>
Total assets		<u>3,025,449</u>	<u>2,834,716</u>
Current liabilities			
Accounts and other payables and accrued expenses	15	213,443	158,250
Contract liabilities		35,643	71
Borrowings	16	148,783	143,523
Lease liabilities		504	540
Tax liabilities		10,607	3,041
		<u>408,980</u>	<u>305,425</u>
Net current assets		<u>277,630</u>	<u>170,759</u>
Total assets less current liabilities		<u>2,616,469</u>	<u>2,529,291</u>
Non-current liabilities			
Accounts and other payables and accrued expenses	15	33,506	-
Borrowings	16	629,286	594,711
Entrusted loan payable		28,541	28,238
Lease liabilities		952	937
Deferred tax liabilities		102,909	101,721
Deferred income		19	19
Environmental rehabilitation		78,781	75,924
		<u>873,994</u>	<u>801,550</u>
Total liabilities		<u>1,282,974</u>	<u>1,106,975</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

	<u>NOTE</u>	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Owners' equity			
Share capital	17	1,229,061	1,229,061
Reserves		115,450	97,422
Retained profits		375,824	380,375
		<u>1,720,335</u>	<u>1,706,858</u>
Non-controlling interests		22,140	20,883
		<u>1,742,475</u>	<u>1,727,741</u>
Total owners' equity		<u>1,742,475</u>	<u>1,727,741</u>
Total liabilities and owners' equity		<u>3,025,449</u>	<u>2,834,716</u>

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on November 14, 2024 and are signed on its behalf by:

Chenguang Hou
Director

Yingbin Ian He
Director

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 (unaudited)**

	Number of common shares	Attributable to owners of the Company						Subtotal US\$'000	Non- controlling interests US\$'000	Total owners' equity US\$'000
		Share capital US\$'000	Equity reserve US\$'000	Investment revaluation reserve US\$'000	Exchange reserve US\$'000	Statutory reserve US\$'000	Retained profits US\$'000			
At January 1, 2023	396,413,753	1,229,061	11,179	16,499	(47,108)	103,122	571,226	1,883,979	19,451	1,903,430
(Loss) profit for the period	-	-	-	-	-	-	(7,594)	(7,594)	2,137	(5,457)
Fair value gain on equity instruments at FVTOCI	-	-	-	8,801	-	-	-	8,801	-	8,801
Exchange difference arising on translation	-	-	-	-	(23,711)	-	-	(23,711)	9	(23,702)
Total comprehensive income (expenses) for the period	-	-	-	8,801	(23,711)	-	(7,594)	(22,504)	2,146	(20,358)
Release from statutory reserve - safety production fund	-	-	-	-	-	(2,776)	2,776	-	-	-
Dividends distribution (Note 8)	-	-	-	-	-	-	(146,673)	(146,673)	-	(146,673)
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(1,109)	(1,109)
At September 30, 2023 (unaudited)	396,413,753	1,229,061	11,179	25,300	(70,819)	100,346	419,735	1,714,802	20,488	1,735,290
At January 1, 2024	396,413,753	1,229,061	11,179	26,318	(61,875)	121,800	380,375	1,706,858	20,883	1,727,741
(Loss) profit for the period	-	-	-	-	-	-	(4,551)	(4,551)	1,532	(3,019)
Fair value gain on equity instruments at FVTOCI	-	-	-	11,847	-	-	-	11,847	-	11,847
Exchange difference arising on translation	-	-	-	-	6,181	-	-	6,181	1	6,182
Total comprehensive income (expenses) for the period	-	-	-	11,847	6,181	-	(4,551)	13,477	1,533	15,010
Dividends paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	(276)	(276)
At September 30, 2024 (unaudited)	396,413,753	1,229,061	11,179	38,165	(55,694)	121,800	375,824	1,720,335	22,140	1,742,475

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)
Net cash from (used in) operating activities	<u>156,158</u>	<u>(31,671)</u>	<u>244,249</u>	<u>22,504</u>
Investing activities				
Interest income received	1,000	834	1,916	4,116
Payment for acquisition of property, plant and equipment	(4,311)	(8,566)	(26,272)	(38,617)
Deposits paid for water treatment project	-	-	(6,096)	-
Dividends received from equity investment at FVTOCI	2,095	1,992	2,095	1,992
Payment for land use right	(16,178)	(823)	(35,721)	(823)
Payment for acquisition of a mining right	(1,205)	(1,321)	(1,205)	(1,321)
Placement of term deposits	(77,399)	-	(91,431)	-
Release of term deposits	14,066	-	14,066	-
Placement of restricted balances	-	(1,996)	-	(68,349)
Release of restricted balances	-	-	-	1,580
Net cash used in investing activities	<u>(81,932)</u>	<u>(9,880)</u>	<u>(142,648)</u>	<u>(101,422)</u>
Financing activities				
Proceeds from borrowings	25,288	-	142,771	279,891
Repayment of borrowings	(26,714)	(871)	(110,489)	(367,690)
Dividends paid to a non-controlling shareholder	-	-	(276)	(1,109)
Dividends paid to shareholders	-	-	-	(146,655)
Payment for lease	(30)	(29)	(88)	(87)
Net cash (used in) from financing activities	<u>(1,456)</u>	<u>(900)</u>	<u>31,918</u>	<u>(235,650)</u>
Net increase (decrease) in cash and cash equivalents	<u>72,770</u>	<u>(42,451)</u>	<u>133,519</u>	<u>(314,568)</u>
Cash and cash equivalents, beginning of period	157,597	139,450	97,237	428,453
Effect of foreign exchange rate changes on cash and cash equivalents	(1,209)	2,827	(1,598)	(14,059)
Cash and cash equivalents, end of period	<u><u>229,158</u></u>	<u><u>99,826</u></u>	<u><u>229,158</u></u>	<u><u>99,826</u></u>
Cash and cash equivalents are comprised of cash and deposits	<u><u>229,158</u></u>	<u><u>99,826</u></u>	<u><u>229,158</u></u>	<u><u>99,826</u></u>

1. BASIS OF PREPARATION AND SIGNIFICANT EVENT DURING THE CURRENT PERIOD

1.1 *Basis of preparation*

China Gold International Resources Corp. Ltd., (the "Company") is a publicly listed company incorporated in British Columbia, Canada on May 31, 2000 with limited liability under the legislation of the Province of British Columbia and its shares are listed on the Toronto Stock Exchange and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company together with its subsidiaries (collectively referred to as the "Group") is principally engaged in the acquisition, exploration, development and mining of mineral resources in the People's Republic of China (the "PRC"). The Group considers that China National Gold Group Co., Ltd. ("CNG"), a state owned company registered in Beijing, the PRC which is controlled by State-owned Assets Supervision and Administration Commission of the State Council of the PRC, is able to exercise significant influence over the Company.

The head office principal address and registered and records office of the Company are located at Suite 660, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia, Canada, V7X 1M4.

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange as well as International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, which should read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

The condensed consolidated financial statements are presented in United States Dollars ("US\$"), which is the functional currency of the Company.

1.2 *Significant event during the current period*

Resumption of Phase II processing plant of Jiama Copper-Gold Polymetallic Mine ("Jiama Mine")

Subsequent to the tailings overflow occurred due to minor tailing dam damages from the Guolanggou tailings pond at the Group's Jiama Mine on March 27, 2023 and the resumption of Phase I processing plant of the Jiama Mine on December 15, 2023, on May 30, 2024, following the receipt of approval from the government of Tibet Autonomous Region and relevant departments of the central government, the Phase II processing plant of the Jiama Mine have resumed operations with a daily processing capacity of 34,000 tonnes, and the Phase I processing plant which has been in operation during the production ramp up phase has ceased operations temporarily with consideration of capacity of the tailings pond that the tailings can be discharged. The Group is actively advancing the construction of the Phase III tailings dam, which is expected to be completed and put into operation in 2027.

1. BASIS OF PREPARATION AND SIGNIFICANT EVENT DURING THE CURRENT PERIOD - continued

1.2 *Significant event during the current period* - continued

Going concern assessment

The Group recorded a net profit of US\$28 million and net loss of US\$3 million for the three and nine months ended September 30, 2024 respectively, notwithstanding that the net operating cash inflows amounted to US\$156 million and US\$244 million for the three and nine months ended September 30, 2024, respectively, and as at September 30, 2024, the Group's current assets exceeded current liabilities by approximately US\$278 million.

Taking into account the Group's cash flow projection, which has factored in the effects of litigations involved by the Group as detailed in note 20, the Group's existing borrowings and entrusted loan payable, its future capital expenditure and installment payments arising from the mining right of Jiama Mine as detailed in this note below, the directors of the Company consider that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least next twelve months from the end of the reporting period. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Provision of the payment arising from the mining right

On July 24, 2024, pursuant to the Notice on Issuing the Measures for the Collection of the Income from the Transfer of Mineral Rights (Caizong (2023) No. 10) issued by the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration, effective on May 1, 2023 and the relevant administrative measures Tibet Autonomous Region (Zangcaishui (2023) No.26), effective on December 27, 2023 (together referred as the "No.10 Notice"), Tibet Huatailong Mining Development Co., Ltd. ("Huatailong"), a subsidiary of the Company, entered into an agreement with the Department of Natural Resources of Tibet Autonomous Region ("Tibet Natural Resources Dept") in relation to the extension of mining right in Jiama Mine with a period of 20 years which will expire in October 2043, and agreed to make payments arising from its mining right in Jiama Mine amounting to RMB368 million (equivalent to US\$52,499,000) by instalments in six years to the PRC government as compensation fees for using the stated-owned natural resources in the PRC for the period starting from July 1, 2017 to April 30, 2023. In addition, according to the agreement, Huatailong is required to make annual payments arising from its mining right in Jiama Mine based on the invoiced revenue multiply appropriate yield on the ore mined starting from May 1, 2023.

On September 3, 2024, the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration issued the Notice on Issues Related to the Sales Revenue Calculation of Mineral Products in Collection of the Income from the Transfer of Mineral Rights (Ziranzifa (2024) No.173), which provides details and clarification on the basis of sales revenue calculation under No.10 Notice. Pursuant to this notice, Huatailong is required to redeclare revised calculation of payments arising from its mining right to Tibet Natural Resources Dept for further assessment if any excess payment or deficiency to be refunded or repaid.

1. BASIS OF PREPARATION AND SIGNIFICANT EVENT DURING THE CURRENT PERIOD - continued

1.2 *Significant event during the current period* - continued

Provision of the payment arising from the mining right - continued

Based on the communication with the Tibet Natural Resources Dept and the available information to the Group, the Group has made its best estimates and calculated the amount by using the revenue multiply appropriate yield on the ore mined as listed in the appendix of the No.10 Notice as at September 30, 2024. Accordingly, during the nine months ended September 30, 2024, the Group recognised RMB387 million (equivalent to US\$54,445,000) as cost of sales and RMB2 million (equivalent to US\$226,000) as finance costs in relation to provision for the payment arising from the mining right for the period starting from July 1, 2017 to September 30, 2024. On August 9, 2024, the Group has settled the first instalment of RMB61 million (equivalent to US\$8,750,000) according to the agreement. As at September 30, 2024, the corresponding liabilities of RMB327 million (equivalent to US\$46,716,000) is presented under "accounts and other payables and accrued expenses".

2. ACCOUNTING POLICIES AND APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

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

Other than application of accounting policy as below 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 nine months ended September 30, 2024 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2023.

Variable payments for acquiring mining rights that are not part of a business combination

Variable payments that are dependent on the Group's future activity (including payments based on sales, revenues or outputs produced) are recognised in profit or loss in the period in which they arise.

In the current interim period, the Group has applied the following amendments to IFRSs issued by IASB, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to IFRSs 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 condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenue from its major products and services:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<u>At a point in time</u>				
Gold doré bars	76,867	65,004	168,145	202,753
Copper	91,836	-	177,067	134,403
Other by-products	85,878	(2,679)	117,867	50,963
Total revenue	<u>254,581</u>	<u>62,325</u>	<u>463,079</u>	<u>388,119</u>

(ii) Performance obligations for contracts with customers

The Group sells gold doré bars, copper and other by-products directly to customers.

Revenue is recognised at a point in time when control of the gold doré bars, copper and other by-products is passed to customers, i.e. when the products are delivered and titles have passed to customers. A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker ("CODM") to allocate resources to the segments and to assess their performance.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the executive directors of the Company. The CODM has identified two operating and reportable segments as follows:

- (i) The mine-produced gold segment - the production of gold doré bars through the Group's integrated processes, i.e., mining, metallurgical processing, production and selling of gold doré bars to external clients.
- (ii) The mine-produced copper concentrate segment - the production of copper concentrate including other by-products through the Group's integrated processes, i.e., mining, metallurgical processing, production and selling of copper concentrate including other by-products to external clients.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

Information regarding the above segments is reported below:

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the nine months ended September 30, 2024

	Mine - produced <u>gold</u> US\$'000 (unaudited)	Mine - produced copper <u>concentrate</u> US\$'000 (unaudited)	Segment <u>total</u> US\$'000 (unaudited)	<u>Unallocated</u> US\$'000 (unaudited)	<u>Consolidated</u> US\$'000 (unaudited)
Revenue - external and segment revenue	168,145	294,934	463,079	-	463,079
Cost of sales	<u>(114,555)</u>	<u>(283,758)</u>	<u>(398,313)</u>	-	<u>(398,313)</u>
Mining operating earnings	<u>53,590</u>	<u>11,176</u>	<u>64,766</u>	-	<u>64,766</u>
Income (loss) from operations	53,399	(22,989)	30,410	(3,128)	27,282
Foreign exchange gain (loss), net	1,914	211	2,125	(55)	2,070
Interest and other income	1,723	1,478	3,201	2,003	5,204
Other expenses	-	(9,799)	(9,799)	-	(9,799)
Finance costs	<u>(304)</u>	<u>(13,002)</u>	<u>(13,306)</u>	<u>(3,771)</u>	<u>(17,077)</u>
Profit (loss) before income tax	<u>56,732</u>	<u>(44,101)</u>	<u>12,631</u>	<u>(4,951)</u>	<u>7,680</u>

For the nine months ended September 30, 2023

	Mine - produced <u>gold</u> US\$'000 (unaudited)	Mine - produced copper <u>concentrate</u> US\$'000 (unaudited)	Segment <u>total</u> US\$'000 (unaudited)	<u>Unallocated</u> US\$'000 (unaudited)	<u>Consolidated</u> US\$'000 (unaudited)
Revenue - external and segment revenue	202,753	185,366	388,119	-	388,119
Cost of sales	<u>(143,130)</u>	<u>(162,720)</u>	<u>(305,850)</u>	-	<u>(305,850)</u>
Mining operating earnings	<u>59,623</u>	<u>22,646</u>	<u>82,269</u>	-	<u>82,269</u>
Income (loss) from operations	59,272	(10,995)	48,277	(3,078)	45,199
Foreign exchange loss, net	(279)	(3,977)	(4,256)	(3,020)	(7,276)
Interest and other income	1,157	2,358	3,515	2,384	5,899
Other expenses	-	(22,693)	(22,693)	-	(22,693)
Finance costs	<u>(653)</u>	<u>(12,285)</u>	<u>(12,938)</u>	<u>(6,385)</u>	<u>(19,323)</u>
Profit (loss) before income tax	<u>59,497</u>	<u>(47,592)</u>	<u>11,905</u>	<u>(10,099)</u>	<u>1,806</u>

3. REVENUE AND SEGMENT INFORMATION - continued

Segment information - continued

(a) Segment revenue and results - continued

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit (loss) before income tax, without allocation of certain general and administrative expenses, foreign exchange (loss) gain, interest and other income and finance costs, attributable to the respective segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

There are no inter-segment sales for the nine months ended September 30, 2024 and 2023.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by segment representing assets/liabilities directly attributable to respective segment:

	Mine - produced gold US\$'000	Mine - produced copper concentrate US\$'000	Segment total US\$'000	Unallocated US\$'000	Consolidated US\$'000
As of September 30, 2024					
(unaudited)					
Total assets	603,908	2,355,499	2,959,407	66,042	3,025,449
Total liabilities	<u>38,455</u>	<u>1,162,576</u>	<u>1,201,031</u>	<u>81,943</u>	<u>1,282,974</u>
As of December 31, 2023					
(audited)					
Total assets	551,635	2,226,003	2,777,638	57,078	2,834,716
Total liabilities	<u>34,891</u>	<u>991,898</u>	<u>1,026,789</u>	<u>80,186</u>	<u>1,106,975</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain of cash and cash equivalents, other receivables, prepaid expenses and deposits, right-of-use assets, property, plant and equipment and equity instruments at FVTOCI; and
- all liabilities are allocated to operating segments other than other payables and accrued expenses, lease liabilities, deferred income and certain borrowings.

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

4. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	September 30,		September 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Administration and office	1,629	1,067	5,102	3,548
Depreciation of property, plant and equipment	1,917	1,844	5,573	5,658
Depreciation of right-of-use assets	25	25	75	75
Professional fees	765	1,423	3,156	2,264
Salaries and benefits	3,919	2,882	11,096	9,785
Others	1,689	4,158	4,687	7,549
Total general and administrative expenses	<u>9,944</u>	<u>11,399</u>	<u>29,689</u>	<u>28,879</u>

5. OTHER EXPENSES

	Three months ended		Nine months ended	
	September 30,		September 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Penalties on occupation of grasslands	-	-	8,760	-
Provision for litigation compensation and related interest charge	<u>345</u>	<u>79</u>	<u>1,039</u>	<u>22,693</u>
Total other expenses	<u>345</u>	<u>79</u>	<u>9,799</u>	<u>22,693</u>

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6. FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)
Interests on borrowings	4,803	4,841	15,037	16,521
Interests on lease liabilities	17	23	51	70
Interests on provision of the variable payment arising from the mining right	226	-	226	-
Accretion on environmental rehabilitation	713	931	2,112	2,850
	<u>5,759</u>	<u>5,795</u>	<u>17,426</u>	<u>19,441</u>
Less: Amounts capitalised to property, plant and equipment	<u>(67)</u>	<u>(58)</u>	<u>(349)</u>	<u>(118)</u>
Total finance costs	<u><u>5,692</u></u>	<u><u>5,737</u></u>	<u><u>17,077</u></u>	<u><u>19,323</u></u>

7. INCOME TAX EXPENSES (CREDIT)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)
Current tax:				
PRC Enterprise Income Tax ("EIT")	4,897	114	9,277	8,640
PRC withholding income tax on profit earned from PRC subsidiaries	-	-	-	19,733
Underprovision (overprovision) of PRC EIT in prior year	-	-	234	(1,581)
	<u>4,897</u>	<u>114</u>	<u>9,511</u>	<u>26,792</u>
Deferred tax:				
PRC EIT	(2,604)	(1,776)	1,188	(2,170)
PRC withholding income tax on profit earned from PRC subsidiaries	-	-	-	(17,359)
	<u>(2,604)</u>	<u>(1,776)</u>	<u>1,188</u>	<u>(19,529)</u>
Total income tax expenses (credit)	<u><u>2,293</u></u>	<u><u>(1,662)</u></u>	<u><u>10,699</u></u>	<u><u>7,263</u></u>

8. DIVIDEND

During the nine months ended September 30, 2023, a special dividend in respect of the year ended December 31, 2022 of US\$0.37 per share amounting to US\$146,673,000 was declared and paid to the shareholders of the Company.

During the nine months ended September 30, 2024, no dividend was declared to the shareholders of the Company.

9. EARNINGS (LOSS) PER SHARE

Profit (loss) used in determining earnings (loss) per share are presented below:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit (loss) for the period attributable to owners of the Company for the purposes of basic earnings (loss) per share (US\$'000)	<u>27,123</u>	<u>(31,678)</u>	<u>(4,551)</u>	<u>(7,594)</u>
Weighted average number of common shares, basic	<u>396,413,753</u>	<u>396,413,753</u>	<u>396,413,753</u>	<u>396,413,753</u>
Basic earnings (loss) per share (US cents)	<u>6.84</u>	<u>(7.99)</u>	<u>(1.15)</u>	<u>(1.92)</u>

The Group has no outstanding potential dilutive instruments issued as at September 30, 2024 and 2023 and during the three and nine months ended September 30, 2024 and 2023. Therefore, no diluted earnings (loss) per share is presented.

10. TERM DEPOSITS

The Group's term deposits are deposits held in a CNG subsidiary denominated in RMB with original maturities over three months and redeemable on maturity. As at September 30, 2024, term deposits carry interest at fixed market rates ranging from 1.5% to 2.0% per annum (December 31, 2023: nil).

11. TRADE AND OTHER RECEIVABLES

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Trade receivables	2,021	1,466
Less: Allowance for credit loss	<u>(185)</u>	<u>(105)</u>
	1,836	1,361
Amounts due from related companies (Note 18(a)) ⁽¹⁾	1,210	654
Other receivables ⁽²⁾	<u>6,381</u>	<u>15,061</u>
Total trade and other receivables	<u><u>9,427</u></u>	<u><u>17,076</u></u>

(1) The amounts are unsecured, interest free and repayable on demand.

(2) Included in the balance as at September 30, 2024 are nil value-added tax ("VAT") recoverable (December 31, 2023: US\$8,837,000) and Tax and Other Surcharges (as defined in note 20) of US\$3,258,000 (December 31, 2023: US\$3,223,000), net of allowance for credit losses, to be recovered from Zhongxinfang Tibet Construction Investment Co. Ltd. ("Zhongxinfang") an independent third party property developer. Details of impairment assessment of the receivable amount from Zhongxinfang are set out in note 20.

The Group allows an average credit period of 30 days and 180 days to its trade customers.

Below is an aged analysis of trade receivables (net of allowance for credit losses) presented based on invoice dates, which approximated the respective revenue recognition dates, at the end of the reporting period:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Less than 30 days	205	60
31 to 90 days	527	17
91 to 180 days	19	49
Over 180 days	<u>1,085</u>	<u>1,235</u>
	<u><u>1,836</u></u>	<u><u>1,361</u></u>

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12. PREPAID EXPENSES AND DEPOSITS

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Deposit for acquisition of land use right ⁽¹⁾	24,539	-
Deposit for water treatment project	6,173	-
Deposit for acquisition of property, plant and equipment	204	768
Other prepayment and deposits	<u>1,065</u>	<u>339</u>
	31,981	1,107
Less: Amounts that will be realised within one year shown under current assets	<u>(1,065)</u>	<u>(339)</u>
Amounts that will be realised for more than one year shown under non-current assets	<u><u>30,916</u></u>	<u><u>768</u></u>

(1) The amounts comprise cost of land use right, grassland compensation fee paid to government authorities and relocation compensation fees paid to pastoralists, which are related to the acquisition of a land use right for the Phase III tailings dam construction project in Jiama Mine. These deposits are unsecured and interest-free.

13. INVENTORIES

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Gold in process	228,391	221,656
Gold doré bars	25,263	24,842
Consumables	11,762	15,356
Copper concentrates	8,283	606
Spare parts	<u>26,352</u>	<u>29,093</u>
Total inventories	<u><u>300,051</u></u>	<u><u>291,553</u></u>

Cost of inventory sold totalling US\$154 million and US\$301 million for the three and nine months ended September 30, 2024 respectively (three and nine months ended September 30, 2023: US\$47 million and US\$247 million, respectively) was recognised in cost of sales.

14. PROPERTY, PLANT AND EQUIPMENT/MINING RIGHTS/RIGHT-OF-USE ASSETS

During the nine months ended September 30, 2024, the Group incurred approximately US\$8.3 million on construction in progress (for the nine months ended September 30, 2023: approximately US\$19.5 million) and approximately US\$5.1 million on mineral assets (for the nine months ended September 30, 2023: approximately US\$1.4 million).

Depreciation of property, plant and equipment was US\$32.7 million and US\$90.6 million for the three and nine months ended September 30, 2024, respectively (for the three and nine months ended September 30, 2023: US\$21.8 million and US\$96.9 million, respectively). Depreciation of right-of-use assets was US\$1.3 million and US\$3.6 million for the three and nine months ended September 30, 2024, respectively (for the three and nine months ended September 30, 2023: US\$1.3 million and US\$3.2 million, respectively). The depreciation amount was partly recognised in cost of sales, general and administrative expenses, research and development expenses and partly capitalised in inventory.

No mining right was capitalised during the nine months ended September 30, 2024 and 2023. Amortisation of mining rights was US\$5.5 million and US\$12.4 million for the three and nine months ended September 30, 2024, respectively (for the three and nine months ended September 30, 2023: US\$0.1 million and US\$10.4 million, respectively). The amortisation amounts were recognised in cost of sales.

During the nine months ended September 30, 2023, the Group leased two pieces of cultivated land from herdsmen and paid the related farmland usage tax, which the Group has recognised right-of-use assets of US\$1.8 million and environmental rehabilitation of US\$0.9 million.

During the nine months ended September 30, 2024, the Group paid farmland use tax and grassland compensation fee in relation to leasehold lands and recognised right-of-use assets of US\$11.2 million and lease liabilities of nil.

15. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES

Accounts and other payables and accrued expenses comprise the following:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Accounts payable	41,928	18,866
Bills payable (Note a)	1,957	-
Construction cost payables	111,644	100,769
Provision of the variable payment arising from the mining right	46,716	-
Payable for litigation compensation (note 20)	24,133	22,828
Payable for acquisition of a mining right	2,409	3,575
Payroll and benefit payables	507	257
Other accruals	3,407	1,606
Other tax payable	6,725	1,543
Other payables	<u>7,523</u>	<u>8,806</u>
Total accounts and other payables and accrued expenses	<u>246,949</u>	<u>158,250</u>
Current	213,443	158,250
Non-current (Note b)	<u>33,506</u>	-
	<u>246,949</u>	<u>158,250</u>

Notes:

- (a) These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.
- (b) The amount represents the variable payment arising from the mining right as detailed in Note 1 that is classified as non-current based on the instalments schedule as at September 30, 2024.

15. ACCOUNTS AND OTHER PAYABLES AND ACCRUED EXPENSES - continued

The following is an aging analysis of the accounts payable presented based on invoice date at the end of the reporting period:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Less than 30 days	16,744	1,830
31 to 90 days	12,383	4,398
91 to 180 days	3,517	3,934
Over 180 days	9,284	8,704
Total accounts payable	<u>41,928</u>	<u>18,866</u>

The credit period for bills payable is 180 days from the issue date.

The following is an aging analysis of bills payable, presented based on bills issue date at the end of the reporting period:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
61 to 90 days	<u>1,957</u>	<u>-</u>

16. BORROWINGS

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Bank loans	695,299	656,344
Loans payable to a CNG's subsidiary (Note 18(a))	82,770	81,890
	<u>778,069</u>	<u>738,234</u>

CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.

16. BORROWINGS - continued

The borrowings are repayable as follows:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Carrying amount repayable within one year	148,783	143,523
Carrying amount repayable within one to two years	250,878	66,500
Carrying amount repayable within two to five years	275,852	424,627
Carrying amount repayable over five years	<u>102,556</u>	<u>103,584</u>
	778,069	738,234
Less: Amounts due within one year (shown under current liabilities)	<u>(148,783)</u>	<u>(143,523)</u>
Amounts shown under non-current liabilities	<u>629,286</u>	<u>594,711</u>
Analysed as:		
Secured	290,480	301,511
Unsecured	<u>487,589</u>	<u>436,723</u>
	<u>778,069</u>	<u>738,234</u>

The carrying values of the pledged assets to secure borrowings by the Group are as follows:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
Mining rights	<u>759,404</u>	<u>770,542</u>

Borrowings carry interest at effective interest rates ranging from 1.85% to 6.24% (December 31, 2023: 1.85% to 6.32%) per annum.

16. BORROWINGS - continued

In respect of a bank loan with a carrying amount of US\$123,962,000 as at September 30, 2024 (December 31, 2023: US\$124,762,000), the Group has breached the term of the syndicated loan that the carrying amount of frozen assets of Huatailong has exceeded RMB200,000,000. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. As at September 30, 2024 and December 31, 2023, the lender has agreed to waive its right to demand immediate payment for the next twelve month from the end of the reporting period, therefore the syndicated loan has been classified as non-current liabilities as at September 30, 2024 and December 31, 2023 based on the instalments repayment schedule set out in the loan agreement. Except for this, the Group has complied with all other covenants throughout the reporting period.

17. SHARE CAPITAL

Common shares

(i) Authorised - Unlimited common shares without par value

(ii) Issued and outstanding

	<u>Number of shares</u>	<u>Amount US\$'000</u>
Issued and fully paid:		
At January 1, 2023 (audited),		
December 31, 2023 (audited) and		
September 30, 2024 (unaudited)	<u>396,413,753</u>	<u>1,229,061</u>

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. CNG, a state owned company registered in Beijing, PRC, which is controlled by State-owned Assets Supervision and Administration Commission of the State Council of the PRC, is able to exercise significant influence over the Company.

The management believes that information relating to related party transactions have been adequately disclosed in accordance with the requirements of IAS 24 *Related Party Disclosures*.

In addition to the related party transactions and balances shown elsewhere in these condensed consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties for the three and nine months ended September 30, 2024 and 2023.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

Name and relationship with related parties during the period/year is as follows:

CNG owned the following percentages of outstanding common shares of the Company:

	September 30, <u>2024</u> % (unaudited)	December 31, <u>2023</u> % (audited)
CNG	<u>40.01</u>	<u>40.01</u>

(a) Transactions/balances with CNG and its subsidiaries

The Group had the following transactions with CNG and CNG's subsidiaries:

	Three months ended September 30,		Nine months ended September 30,	
	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)	<u>2024</u> US\$'000 (unaudited)	<u>2023</u> US\$'000 (unaudited)
Gold doré bars sales by the Group	<u>76,867</u>	<u>65,004</u>	<u>168,145</u>	<u>202,753</u>
Copper and other by-products sales by the Group	<u>175,763</u>	<u>-</u>	<u>292,357</u>	<u>169,454</u>
Other income	<u>-</u>	<u>-</u>	<u>712</u>	<u>-</u>
Provision of transportation services by the Group	<u>549</u>	<u>49</u>	<u>703</u>	<u>805</u>
Construction, stripping and mining services provided to the Group	<u>24,819</u>	<u>14,931</u>	<u>53,460</u>	<u>43,987</u>
Accrued property management fee	<u>115</u>	<u>114</u>	<u>343</u>	<u>347</u>
Commitment fee	<u>156</u>	<u>166</u>	<u>469</u>	<u>496</u>
Interest income	<u>900</u>	<u>721</u>	<u>1,359</u>	<u>3,595</u>
Interest expenses on borrowings	<u>627</u>	<u>297</u>	<u>1,873</u>	<u>399</u>
Interest expenses on lease liabilities	<u>16</u>	<u>20</u>	<u>47</u>	<u>62</u>

18. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

The Group has the following significant balances with CNG and its subsidiaries at the end of each reporting period:

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
<u>Assets</u>		
Amounts due from related companies (note 11)	1,210	654
Cash and cash equivalents held by a CNG subsidiary	210,852	78,264
Term deposits held in a CNG subsidiary (note 10)	78,488	-
Restricted balances held in a CNG's subsidiary	<u>68,421</u>	<u>67,693</u>
Total amounts due from CNG and its subsidiaries	<u><u>358,971</u></u>	<u><u>146,611</u></u>

Other than the cash and cash equivalents, term deposits and restricted balances held in a CNG's subsidiary, the remaining amounts due from related companies as at September 30, 2024 and December 31, 2023, which are included in trade and other receivables are non-interest bearing, unsecured and recoverable on demand.

	September 30, <u>2024</u> US\$'000 (unaudited)	December 31, <u>2023</u> US\$'000 (audited)
<u>Liabilities</u>		
Entrusted loan payable	28,541	28,238
Loans payable to a CNG's subsidiary	82,770	81,890
Construction costs payable to CNG's subsidiaries	12,642	6,893
Trade payable to CNG's subsidiaries	7,500	4,742
Amount due to CNG	3,280	2,574
Contract liabilities with CNG's subsidiaries	35,567	68
Lease liabilities to a CNG's subsidiary	<u>1,396</u>	<u>1,334</u>
Total amounts due to CNG and its subsidiaries	<u><u>171,696</u></u>	<u><u>125,739</u></u>

Trade payable, construction costs payable and contract liabilities to CNG's subsidiaries are in trade nature, non-interest bearing and unsecured.

Amount due to CNG included in other payables is non-trade in nature, non-interest bearing, unsecured and have no fixed term of repayment.

Entrusted loan payable, loans payable and lease liabilities to CNG and its subsidiaries are non-trade in nature, interest-bearing, unsecured and have fixed term of repayment.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS - continued

(b) Compensation of key management personnel

The Group has the following compensation to key management personnel during the period:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	US\$'000	US\$'000	US\$'000	US\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salaries and other benefits	84	86	250	271
Post-employment benefits	5	4	17	15
	<u>89</u>	<u>90</u>	<u>267</u>	<u>286</u>

19. FINANCIAL INSTRUMENTS

As at September 30, 2024 and December 31, 2023, the Group's investments in equity securities include equity securities listed on the Stock Exchange and unlisted companies incorporated in the PRC.

Investment in equity securities listed on the Stock Exchange of US\$58,175,000 (December 31, 2023: US\$46,328,000) is measured based on the unadjusted quoted price available on the Stock Exchange (Level 1 fair value measurement). The Group's investment in listed equity securities represent investment in a company engaged in mining, processing and trading of nonferrous metals registered in Hong Kong, PRC. Up to the date of these condensed consolidated financial statements are authorised for issue, the fair value of investment in equity securities listed on the Stock Exchange decreased to US\$46,831,000 based on the unadjusted quoted price available on the Stock Exchange on November 13, 2024.

In addition, equity investments in two unlisted companies incorporated in the PRC of US\$834,000 (December 31, 2023: US\$825,000) are measured at fair value based on Level 3 inputs.

The Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

20. CONTINGENCIES

Except as described below, there has been no significant update of the contingencies as detailed in the Group's annual financial statements for the year ended December 31, 2023.

(i) Litigation with Huaxin Construction Group Co., Ltd. ("Huaxin") and Zhongxinfang

(a) Litigations with Huaxin and Zhongxinfang for the construction costs

Pursuant to the final instance adjudication dated June 5, 2023 (the "June 2023 Huaxin Final Instance Adjudication") on construction contract dispute entered by the High People's Court of Lhasa City, Tibet ("Tibet High Court"), Huatailong recognised additional interest charge on the unsettled litigation compensation to Huaxin of US\$1,039,000 during the nine months ended September 30, 2024 (nine months ended September 30, 2023: litigation compensation and related interest charge of US\$22,693,000). Accordingly, Huatailong recognised RMB169 million (equivalent to US\$24,133,000) as payable for litigation compensation which is presented under "accounts and other payables and accrued expenses" as at September 30, 2024 (December 31, 2023: RMB159 million (equivalent to US\$22,828,000)).

As at September 30, 2024 and up to the date these condensed consolidated financial statements are authorised for issue, the assets that have been frozen temporarily by the Tibet Intermediate Court are set out below. Subsequent to the reporting period, on October 24, 2024, the Execution Bureau of the Tibet Intermediate Court has conducted auction of a leasehold land and buildings of Huatailong with carrying amount of US\$7,755,000 as at September 30, 2024, through a public auction on a judicial auction online platform. The auction is currently in progress, and the result has not been finalised.

	Carrying amount as at <u>September 30, 2024</u> US\$'000
Bank balances	27
Other non-current assets	15,972
Right-of-use assets - leasehold lands	9,362
Equity instruments at FVTOCI - unlisted investments	834
Property, plant and equipment - buildings	21,743
51% equity interest in Jiama Industry and Trade Co., Ltd., a subsidiary of the Company	n/a
	<u>47,938</u>

Other than the bank balances, the Group considers that the remaining frozen assets are merely restricted from transfer or sale, with no impact of the utilization of these assets by Huatailong, and do not affect the Huatailong's current operation.

As at September 30, 2024 and up to the date these condensed consolidated financial statements are authorised for issue, the payable to Huaxin amounting to US\$24,133,000 is not settled by Huatailong and Huatailong is continuously seeking other measures, including getting involvement of relevant government authorities, to protest against the September 2023 Huaxin Final Instance Adjudication and has not yet come up with a result.

20. CONTINGENCIES - continued

(i) **Litigation with Huaxin and Zhongxinfang** - continued

- (b) *Litigations with Zhongxinfang for the delivery of a block of the buildings and twenty car parks (the "New Premises") and recovery of all related tax exposures including but not limited to land appreciation tax, EIT and other surcharge (the "Tax and Other Surcharge") related to the land exchange whereby the Group agreed to transfer the land use right for the development of a composite project and Zhongxinfang agreed to compensate the Group by the New Premises*

As at September 30, 2024 and up to the date these condensed consolidated financial statements are authorised for issue, the composite project is still suspended due to litigations against Zhongxinfang and the New Premises are still not delivered to Huatailong. Based on legal advice, the enforcement of the adjudication that Zhongxinfang should pay penalty of RMB9 million to Huatailong that was applied by Huatailong in March 2023 is currently underway and the result is not ascertained as at the date these condensed consolidated financial statements are authorised for issue.

Based on Group's assessment on the status of the New Premises and taking into account the valuation of the New Premises, no impairment loss (for the nine months ended September 30, 2023: nil) has been made during the nine months ended September 30, 2024 and the carrying amount of the other non-current assets are RMB111,924,000 (equivalent to US\$15,972,000) as at September 30, 2024 (December 31, 2023: RMB111,924,000 (equivalent to US\$15,802,000)).

Based on the best available information to the Group and the credit risk assessment of Zhongxinfang as of September 30, 2024, no additional expected credit loss (for the nine months ended September 30, 2023: nil) for the Tax and Other Surcharge from Zhongxinfang are recognised during the nine months ended September 30, 2024, and the accumulated allowance for credit losses is RMB22,827,000 (equivalent to US\$3,258,000) as of September 30, 2024 (December 31, 2023: RMB22,827,000 (equivalent to US\$3,223,000)).

(ii) **Litigation with an independent supplier of Huatailong**

During the period from February 28 to March 2, 2024, the Tibet High Court has held a trial on the dispute between Huatailong and an independent supplier of Huatailong for the loss of work stoppage and slowdown resulting from the suspension of Jiama Mine's south pit and on April 10, 2024, the Tibet High Court rescinded the first instance adjudication dated November 27, 2023 by the Intermediate People's Court of Lhasa City, Tibet ("Tibet Intermediate Court") and remand the case to the Tibet Intermediate Court for retrial.

The Tibet Intermediate Court held the retrial three times on June 11, 2024, June 21, 2024 and July 19, 2024, while both sides are questioning the evidence disclosed during the trial process and are now preparing for the fourth trial to be held. As at September 30, 2024 and up to the date these condensed consolidated financial statements are authorised for issue, the outcome of this legal proceeding has not yet been finalised, the Group concludes that it is not probable that an outflow of economic benefits will be required by taking into account the legal advice. Accordingly, no provision is made in the condensed consolidated financial statements in respect of this litigation as of September 30, 2024 (December 31, 2023: nil).

21. EVENT AFTER THE REPORTING PERIOD

Other than those disclosed in notes 19 and 20, the Group had no material event after the end of the reporting period.
