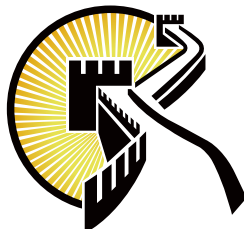


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## **PERSISTENCE RESOURCES GROUP LTD**

**集海資源集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2489)**

### **2024 THIRD QUARTERLY REPORT**

The board (the “**Board**”) of directors (the “**Directors**”) of Persistence Resources Group Ltd (the “**Company**”) is pleased to announce the unaudited results (the “**Third Quarterly Report**”) of the Company and its subsidiaries (collectively the “**Group**”) for the nine months ended 30 September 2024 (the “**Reporting Period**”). This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Third Quarterly Report is unaudited. The audit committee of the Company has reviewed the results of the Group for the nine months ended 30 September 2024.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Nine months ended</b>	
	<b>30 September</b>	
<i>Notes</i>	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	<b>364,905</b>	283,667
Cost of sales	<u>(173,295)</u>	<u>(151,659)</u>
<b>Gross profit</b>	<b>191,610</b>	132,008
Other income and gains	<b>15,275</b>	7,441
Administrative expenses	<b>(30,744)</b>	(25,489)
Finance costs	<b>(2,020)</b>	(2,437)
Other expenses	<u>(1,740)</u>	<u>–</u>
<b>PROFIT BEFORE TAX</b>	<b>172,381</b>	111,523
Income tax expense	<u>(54,386)</u>	<u>(36,838)</u>
<b>PROFIT FOR THE PERIOD</b>	<b><u>117,995</u></b>	<b><u>74,685</u></b>
Attributable to:		
Owners of the parent	<b>85,572</b>	53,109
Non-controlling interests	<u>32,423</u>	<u>21,576</u>
	<b><u>117,995</u></b>	<b><u>74,685</u></b>

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of financial statements of subsidiaries	<u>1,923</u>	<u>1,042</u>
	<b>1,923</b>	<b>1,042</b>
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of financial statements of the Company	<u>–</u>	<u>–</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u><b>1,923</b></u>	<u><b>1,042</b></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><b>119,918</b></u>	<u><b>75,727</b></u>
Attributable to:		
Owners of the parent	<u>87,495</u>	<u>54,151</u>
Non-controlling interests	<u>32,423</u>	<u>21,576</u>
	<u><b>119,918</b></u>	<u><b>75,727</b></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
		(Restated)
Basic and diluted	<u><b>RMB0.043</b></u>	<u><b>RMB0.035</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	349,547	342,520
Right-of-use assets	105,749	110,885
Intangible assets	112,244	117,843
Deferred tax assets	7,852	6,727
Other long-term assets	4,260	3,732
	<b>579,652</b>	581,707
<b>CURRENT ASSETS</b>		
Inventories	16,793	21,821
Prepayments, other receivables and other assets	9,041	7,901
Restricted and pledged deposits	20,905	19,232
Cash and cash equivalents	601,138	586,840
Current portion of other long-term assets	400	400
	<b>648,277</b>	636,194
<b>CURRENT LIABILITIES</b>		
Trade payables	11,980	10,273
Other payables and accruals	23,865	29,055
Deferred income	43	170
Interest-bearing bank and other borrowings	–	30,000
Tax payable	97,071	99,914
Provision	1,305	1,305
Current portion of other long-term liabilities	7,369	7,369
	<b>141,633</b>	178,086
<b>NET CURRENT ASSETS</b>	<b>506,644</b>	458,108
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,086,296</b>	1,039,815

	<b>30 September 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>		
Provision	25,577	25,091
Other long-term liabilities	23,827	23,878
Deferred tax liabilities	<u>14,666</u>	<u>14,911</u>
Total non-current liabilities	<u>64,070</u>	<u>63,880</u>
<b>NET ASSETS</b>	<b><u>1,022,226</u></b>	<b><u>975,935</u></b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	18,172	18,172
Reserves	<u>843,484</u>	<u>809,616</u>
	<b>861,656</b>	827,788
<b>Non-controlling interests</b>	<u>160,570</u>	<u>148,147</u>
<b>TOTAL EQUITY</b>	<b><u>1,022,226</u></b>	<b><u>975,935</u></b>

## CONSOLIDATED STATEMENT OF CASHFLOW

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	172,381	111,523
Adjustments for:		
Finance costs	2,020	2,437
Depreciation of items of property, plant and equipment	31,673	23,779
Depreciation of right-of-use assets	7,744	6,716
Amortisation of intangible assets	5,599	5,799
Loss on disposal of items of property, plant and equipment	–	1,097
	<u>219,417</u>	<u>151,351</u>
Decrease in inventories	5,028	4,314
Increase in prepayments, other receivables and other assets	(1,140)	(1,400)
Increase in trade payables	1,707	7,286
Increase in restricted and pledged bank deposits	(1,673)	(1,628)
Decrease in other payables and accruals	(1,116)	(14,408)
Increase in provision	–	517
	<u>222,223</u>	<u>146,032</u>
<b>Cash generated from operations</b>	<b>222,223</b>	<b>146,032</b>
Tax paid	(58,599)	(13,123)
	<u>163,624</u>	<u>132,909</u>
<b>Net cash flows from operating activities</b>	<b>163,624</b>	<b>132,909</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances of loan to third parties	–	3,238
Purchases of items of property, plant and equipment	(42,463)	(47,427)
Proceeds from disposal of property, plant and equipment	–	59
Additions to intangible assets	(471)	–
Additions to right-of-use assets	(2,608)	–
	<u>(45,542)</u>	<u>(44,130)</u>
<b>Net cash flows used in investing activities</b>	<b>(45,542)</b>	<b>(44,130)</b>

<b>Nine months ended</b>	
<b>30 September</b>	
<b>2024</b>	<b>2023</b>
<b>RMB'000</b>	<b>RMB'000</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>

## **CASH FLOWS FROM FINANCING ACTIVITIES**

Payment of listing expenses	<b>(936)</b>	–
Repayment of advances from related parties	–	(219)
Repayment of other long-term liabilities	<b>(331)</b>	(503)
Interest paid	<b>(813)</b>	(1,501)
Dividend paid	<b>(53,627)</b>	–
Dividends paid to non-controlling interests	<b>(30,000)</b>	–
Contribution from non-controlling shareholders	<b>10,000</b>	–
Repayment of bank loan	<b>(30,000)</b>	–
	<hr/>	<hr/>
<b>Net cash flows used in financing activities</b>	<b>(105,707)</b>	(2,223)
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>12,375</b>	85,556
	<hr/>	<hr/>
Cash and cash equivalents at beginning of reporting period	<b>586,840</b>	282,187
	<hr/>	<hr/>
Effects of exchange rate changes on cash and cash equivalents	<b>1,923</b>	1,042
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<b>601,138</b>	369,785
	<hr/>	<hr/>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	<b>601,138</b>	369,785
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS</b>	<b>601,138</b>	369,785
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO FINANCIAL STATEMENTS

For the nine months ended 30 September 2024

### 1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. During the year, the subsidiaries now comprising the Group were involved in the mining, processing and sale of gold bullion in the People’s Republic of China (the “**PRC**”).

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

#### Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name	Notes	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of equity interest attributable to the Company	Principal activities
<b>Directly held:</b>					
Majestic Yantai Gold Ltd.*	(1)	British Virgin Islands/ 1 July 2004	USD50,000	100%	Investment holding
PRG Res Holding 1 Ltd.*	(1)	British Virgin Islands/ 15 January 2024	USD50,000	100%	Investment holding
PRG Res Holding 2 Ltd.*	(1)	British Virgin Islands/ 15 January 2024	USD50,000	100%	Investment holding
<b>Indirectly held:</b>					
煙台中嘉礦業有限公司 Yantai Zhongjia Mining Co., Ltd. (“Yantai Zhongjia”) **	(2)	PRC/Chinese Mainland/ 17 March 2005	RMB228,705,500	75%	Mining, processing and sale of gold
PRG Res HK 1 Limited**	(2)	Hong Kong/ 29 January 2024	HKD1	100%	Investment holding
PRG Res HK 2 Limited**	(2)	Hong Kong/ 29 January 2024	HKD1	100%	Investment holding

(1) \* This company is a wholly-owned subsidiary of the Company.

(2) \*\* This company is a subsidiary indirectly owned by the Company.

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



## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Since these unaudited consolidated financial statements do not include all disclosures required by the International Financial Reporting Standards (“**IFRS**”) for annual financial statements, they should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2023.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the new and revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or noncurrent, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>1</sup></i>
Amendments to IAS 21	<i>Lack of Exchangeability<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>3</sup></i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>4</sup></i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>4</sup></i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>3</sup></i>

<sup>1</sup> No mandatory effective date yet determined but available for adoption

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that, these new and revised IFRSs are unlikely to have a significant impact on the Group's result of operations and financial position.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. Results for the Reporting Period

#### *Gold Production*

For the Reporting Period, the Group's total gold production volume was approximately 682.3 kg (or approximately 21,935.4 ounces), representing an increase of approximately 2.4% as compared to that of the nine months ended 30 September 2023 (the “**Comparable Period**”). The increase in total gold production was mainly attributable to the stable production as compared with the temporary pause of mining activities during May to mid-July 2023 to facilitate the safety inspection of newly constructed benches.

#### *Revenue*

For the Reporting Period, the Group's revenue was approximately RMB364,905,000 (Comparable Period: RMB283,667,000), representing an increase of approximately 28.6% as compared to the Comparable Period. The increase was mainly attributable to the increase in the average selling price by approximately 22.5% and the increase in sales volume by 5% as compared to the Comparable Period.

#### *Net Profit*

For the Reporting Period, the Group's net profit was approximately RMB117,995,000 (Comparable Period: RMB74,685,000), representing an increase of approximately 58.0% as compared to the Comparable Period. The increase in net profit was primarily due to the increase in gross profit as a result of the higher average selling price, as well as an increase in interest income earned on the Group's cash and cash equivalent balances and was partially offset by an increase in post-listing administrative expenses.

#### *Earnings Per Share*

For the Reporting Period, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.043 (Comparable Period: RMB0.035), representing an increase of approximately 22.9% as compared to the previous year.

### ***Exploration, development and mining production***

For upgrading of our gold reserves to increase life of mine and to conduct exploratory drilling, the Company signed a drilling contract for 27 holes with an independent third party contractor. The first phase of drilling of 10 holes has been completed as of 30 September 2024 at a cost of approximately RMB1,038,000. This amount was included as exploration expenditures in the administrative expenses. Cost of sales was directly attributable to the expenditure incurred on mining production activity. The amount of cost of sales was presented in the consolidated statements of profit or loss and other comprehensive income on page 2 in the Third Quarterly Report.

## **II. Financial Analysis**

### ***Revenue***

For the Reporting Period, the Group's revenue was approximately RMB364,905,000 (Comparable Period: RMB283,667,000), representing an increase of approximately 28.6% as compared to the Comparable Period. The increase was mainly attributable the increase in average selling price by approximately 22.5% and the increase in sales volume by 5% as compared to the Comparable Period.

### ***Cost of Sales***

For the Reporting Period, the Group's cost of sales was approximately RMB173,295,000 (Comparable Period: RMB151,659,000), representing an increase of approximately 14.3% as compared to the Comparable Period. The increase was attributed to several factors including an increase in depreciation expense, smelting cost and underground safety production expense as well as an increase in resources taxes.

### ***Gross Profit and Gross Profit Margin***

During the Reporting Period, the Group's gross profit was approximately RMB191,610,000 (Comparable Period: RMB132,008,000), representing an increase in gross profit of approximately 45.2%. The increase in gross profit was primarily attributable to the increase in average selling price partially offset by the increase in the cost of sales.

During the Reporting Period, the Group's gross profit margin was approximately 52.5% (Comparable Period: 46.5%), representing an increase in gross profit margin of approximately 6.0% as compared to the previous year. The increase was mainly attributable to the increase in average selling price, partially offset by the increase in the cost of sales.

### ***Other Income and Gains***

During the Reporting Period, the Group's other income and gains were approximately RMB15,275,000 (Comparable Period: RMB7,441,000), representing an increase of approximately 105.3% as compared to the Comparable Period. The increase in other income and gains was mainly attributable to the increase in interest income earned on the Group's cash and cash equivalent balances.

### ***Administrative Expenses***

The Group's administrative expenses were approximately RMB30,744,000 during the Reporting Period (Comparable Period: RMB25,489,000), representing an increase of approximately 20.6% as compared to the Comparable Period. The increase of administrative expenses was mainly due to the higher post-listing administrative expenses, as well as the increase in research and development expenses and the exploration expenditure for drilling project which were included in the administrative expenses.

### ***Other Expenses***

For the Reporting Period, the Group's other expenses were approximately RMB1,740,000 (Comparable Period: nil). The increase was mainly attributable to increase in foreign exchange loss.

### ***Finance Costs***

For the Reporting Period, the Group's finance costs were approximately RMB2,020,000 (Comparable Period: RMB2,437,000), representing a decrease of approximately 17.1% as compared to the previous year. The decrease was mainly attributable to the decrease in effective interest rate.

### ***Profit Attributable to Owners of the Parent***

For the Reporting Period, the Group's profit attributable to the owners of the parent was approximately RMB85,572,000, representing an increase of approximately 61.1% from approximately RMB53,109,000 in Comparable Period. The increase was mainly attributable to the increase in profit after tax.

### ***Liquidity and Capital Resources***

The working capital and funds required by the Group are mainly derived from its cash flows generated from operations, bank borrowings and capital injection from shareholders, while the Group's capital for operating activities is mainly utilised to provide funding for purchase of raw materials, various operating expenses and capital expenditure. The cash and cash equivalents of the Group are RMB601,138,000 as at 30 September 2024. The liquidity of the Group and its working capital and finance requirements was closely monitored by the Board on a regular basis.

### ***Cash Flows and Working Capital***

The Group's cash and cash equivalents have increased from approximately RMB586,840,000 as at 31 December 2023 to approximately RMB601,138,000 as at 30 September 2024. The increase was mainly attributable to net cash generated from the Group's operating activities. The Group's working capital as at 30 September 2024 was approximately RMB506,644,000, compared to approximately RMB458,108,000 as at 31 December 2023. The increase was mainly attributable to the increase in cash and cash equivalents and the repayment of bank borrowings.

As at 30 September 2024, the cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB177,248,000 (Comparable Period: RMB690,232), those denominated in Canadian dollars amounted to approximately RMB625,057 (Comparable Period: RMB630,731), those denominated in United States dollars amounted to approximately RMB75,444,000 (Comparable Period: RMB53,136,000). All other cash and cash equivalents held by the Group are denominated in RMB.

### ***Borrowings***

As at 30 September 2024, the Group had no outstanding bank borrowings (Comparable Period: RMB30,000,000). The Group's borrowings were all denominated in RMB with fixed interest rates.

### ***Gearing Ratio***

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

### ***Market Risks***

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



### ***Gold Prices and Other Commodities Prices Risks***

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

### ***Interest Rate Risk***

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

### ***Credit Risk***

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

### ***Foreign Exchange Risk***

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



### ***Risk of Change in Industry Policies***

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

### ***Pledge***

As at 30 September 2024, except RMB20,905,000 of pledged deposits represented environmental rehabilitation deposits placed in banks for environmental rehabilitation of land the Group developed for the mine as required under the relevant PRC laws and regulations, the Group has not pledged any assets.

### ***Commitment***

As at 30 September 2024, the Group's total capital commitments in respect of the contracted costs which were not provided for in the financial statements were approximately RMB6,545,000 (30 September 2023: Nil).

### ***Contingent Liabilities***

As at 30 September 2024, the Group had no material contingent liabilities.

The Board wishes to remind investors that the above financial and business data are based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such data.

**The Company's shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.**

By order of the Board

**Persistence Resources Group Ltd**

**Shao Xuxin**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 29 November 2024

*As at the date of this announcement, the Board comprises Dr. Shao Xuxin, Mr. Mackie James Thomas, Mr. Lo Cheuk Kwong Raymond and Mr. Chen Shaohui as executive Directors; Mr. Chen Li Bei as non-executive Director; and Dr. Malaihollo Jeffrey Francis A, Mr. Chan Ngai Fan, Dr. Zeng Ming and Ms. Liu Li as independent non-executive Directors.*