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**ZHAOJIN**

**ZHAOJIN MINING INDUSTRY COMPANY LIMITED\***

**招金礦業股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1818)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**FINANCIAL HIGHLIGHTS**

- During the Period, the revenue amounted to approximately RMB4,627,203,000, representing an increase of approximately 34.24% as compared to the corresponding period of last year.
- During the Period, the net profit amounted to approximately RMB726,420,000, representing an increase of approximately 98.82% as compared to the corresponding period of last year.
- During the Period, the profit attributable to owners of the parent amounted to approximately RMB552,793,000, representing an increase of approximately 118.62% as compared to the corresponding period of last year.
- During the Period, the basic and diluted earnings per share attributable to ordinary equity holders of the parent was approximately RMB0.12, representing an increase of approximately 200.00% as compared to the corresponding period of last year.
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024.

The board (the “Board”) of directors (the “Directors”) of Zhaojin Mining Industry Company Limited\* (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024 (the “Period”) prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”, which have been reviewed by the Board’s audit committee (the “Audit Committee”). Interim condensed consolidated financial information together with comparative figures for the corresponding period in 2023 are set out as follows:

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

|   |              | <b>For the six months ended 30 June</b> |                       |
|---|--------------|---|-----------------------|
|   |              | <b>2024</b>                             | 2023                  |
|   |              | <b>RMB'000</b>                          | RMB'000               |
|   | <i>Notes</i> | <b>(Unaudited)</b>                      | (Unaudited)           |
| <b>REVENUE</b>  | 4            | <b>4,627,203</b>                        | 3,446,912             |
| Cost of sales   |              | <u>(2,650,560)</u>                      | <u>(2,102,505)</u>    |
| Gross profit  |              | <b>1,976,643</b>                        | 1,344,407             |
| Other income and gains  |              | <b>383,824</b>                          | 296,248               |
| Selling and distribution expenses   |              | <b>(16,094)</b>                         | (15,248)              |
| Administrative expenses   |              | <b>(622,464)</b>                        | (571,637)             |
| Impairment losses on financial assets   |              | <b>(11,458)</b>                         | (32,053)              |
| Other expenses  |              | <b>(496,799)</b>                        | (261,878)             |
| Finance costs   |              | <b>(264,207)</b>                        | (311,238)             |
| Share of profits and losses of:   |              |   |                       |
| – Associates  |              | <b>4,112</b>                            | 2,374                 |
| – Joint venture   |              | <b>(478)</b>                            | –                     |
| <b>PROFIT BEFORE TAX</b>  | 5            | <b>953,079</b>                          | 450,975               |
| Income tax expense  | 6            | <u>(226,659)</u>                        | <u>(85,615)</u>       |
| <b>PROFIT FOR THE PERIOD</b>  |              | <b><u>726,420</u></b>                   | <b><u>365,360</u></b> |
| Attributable to:  |              |   |                       |
| Owners of the parent  |              | <b>552,793</b>                          | 252,858               |
| Non-controlling interests   |              | <u>173,627</u>                          | <u>112,502</u>        |
|   |              | <b><u>726,420</u></b>                   | <b><u>365,360</u></b> |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE PARENT</b> |              |   |                       |
| Basic and diluted – For profit for the period (RMB)                                 | 8            | <b><u>0.12</u></b>                      | <b><u>0.04</u></b>    |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2024*

|  | <b>For the six months ended 30 June</b> |                        |
|--|---|------------------------|
|  | <b>2024</b>                             | 2023                   |
|  | <b>RMB'000</b>                          | RMB'000                |
|  | (Unaudited)                             | (Unaudited)            |
| <b>PROFIT FOR THE PERIOD</b>   | <b><u>726,420</u></b>                   | <b><u>365,360</u></b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>  |   |                        |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods:         |   |                        |
| Exchange differences on translation of foreign operations  | <u>(9,342)</u>                          | <u>24,125</u>          |
| Net other comprehensive income that may be reclassified to profit or loss in subsequent periods      | <u>(9,342)</u>                          | <u>24,125</u>          |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:    |   |                        |
| Remeasurement of post-employment benefit obligations   | (1,743)                                 | (329)                  |
| Income tax effect  | 261                                     | 49                     |
| Equity investments designated at fair value through other comprehensive income                       | (85,807)                                | (82,640)               |
| Income tax effect  | <u>2,979</u>                            | <u>851</u>             |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods | <u>(84,310)</u>                         | <u>(82,069)</u>        |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>   | <b><u>(93,652)</u></b>                  | <b><u>(57,944)</u></b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b><u>632,768</u></b>                   | <b><u>307,416</u></b>  |
| Attributable to:   |   |                        |
| Owners of the parent   | 459,869                                 | 194,770                |
| Non-controlling interests  | <u>172,899</u>                          | <u>112,646</u>         |
|  | <b><u>632,768</u></b>                   | <b><u>307,416</u></b>  |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

|  |              | 30 June<br>2024<br><i>RMB'000</i><br>(Unaudited) | 31 December<br>2023<br><i>RMB'000</i><br>(Audited) |
|--|--------------|--|--|
|  | <i>Notes</i> |  |  |
| <b>NON-CURRENT ASSETS</b>  |              |  |  |
| Property, plant and equipment  | 9            | 17,942,129                                       | 16,495,003   |
| Investment properties  |              | 91,427   | 93,011   |
| Right-of-use assets  |              | 814,239  | 752,358  |
| Goodwill   |              | 583,303  | 583,303  |
| Other intangible assets  | 9            | 16,005,177                                       | 12,550,869   |
| Investment in a joint venture  |              | 2,731  | –  |
| Investments in associates  |              | 267,828  | 267,713  |
| Financial assets measured at amortised cost                                    |              | 393,926  | 562,662  |
| Equity investments designated at fair value through other comprehensive income |              | 574,291  | 656,878  |
| Deferred tax assets  |              | 454,515  | 439,869  |
| Loans receivable   |              | 218,475  | 233,040  |
| Long-term deposits   |              | 10,740   | 35,701   |
| Term deposits  |              | 584,330  | 355,000  |
| Other long-term assets   | 9            | 915,116  | 805,127  |
| <b>Total non-current assets</b>  |              | <b>38,858,227</b>                                | 33,830,534   |
| <b>CURRENT ASSETS</b>  |              |  |  |
| Inventories  |              | 6,112,413  | 5,154,577  |
| Trade and notes receivables  | 10           | 424,211  | 227,799  |
| Prepayments, other receivables and other assets                                |              | 1,032,056  | 578,713  |
| Financial assets at fair value through profit or loss                          |              | 1,264,533  | 1,500,538  |
| Financial assets measured at amortised cost                                    |              | 20,192   | 20,265   |
| Pledged deposits   |              | 586,420  | 536,768  |
| Loans receivable   |              | 2,030,411  | 2,102,099  |
| Cash and cash equivalents  |              | 2,229,078  | 2,916,103  |
| <b>Total current assets</b>  |              | <b>13,699,314</b>                                | 13,036,862   |
| <b>CURRENT LIABILITIES</b>   |              |  |  |
| Trade and bills payables   | 11           | 853,742  | 520,754  |
| Other payables and accruals  |              | 2,306,020  | 2,131,602  |
| Financial liabilities at fair value through profit or loss                     |              | –  | 569,713  |
| Interest-bearing bank and other borrowings                                     |              | 7,252,062  | 4,824,267  |
| Corporate bonds  |              | 999,967  | 2,999,486  |
| Tax payable  |              | 185,280  | 41,820   |
| Provisions   |              | 555  | 2,378  |
| Deposits from customers  |              | 440,867  | 931,817  |
| Current portion of other long-term liabilities                                 |              | 245,544  | 221,854  |
| <b>Total current liabilities</b>   |              | <b>12,284,037</b>                                | 12,243,691   |

|  |              | <b>30 June<br/>2024<br/>RMB'000<br/>(Unaudited)</b> | 31 December<br>2023<br>RMB'000<br>(Audited) |
|--|--------------|---|---|
|  | <i>Notes</i> |   |   |
| <b>NET CURRENT ASSETS</b>                          |              | <b><u>1,415,277</u></b>                             | <b><u>793,171</u></b>                       |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>       |              | <b><u>40,273,504</u></b>                            | <b><u>34,623,705</u></b>                    |
| <b>NON-CURRENT LIABILITIES</b>                     |              |   |   |
| Interest-bearing bank and other borrowings         |              | <b>5,291,100</b>                                    | 4,943,050                                   |
| Corporate bonds                                    |              | <b>6,995,108</b>                                    | 4,996,288                                   |
| Lease liabilities                                  |              | <b>63,539</b>                                       | 19,229                                      |
| Deferred tax liabilities                           |              | <b>1,120,860</b>                                    | 264,159                                     |
| Deferred income                                    |              | <b>76,645</b>                                       | 80,953                                      |
| Provisions   |              | <b>124,222</b>                                      | 78,068                                      |
| Deposits from customers                            |              | <b>400,000</b>                                      | 400,000                                     |
| Other long-term liabilities                        |              | <b><u>1,671,936</u></b>                             | <u>1,597,632</u>                            |
| Total non-current liabilities                      |              | <b><u>15,743,410</u></b>                            | <u>12,379,379</u>                           |
| <b>NET ASSETS</b>                                  |              | <b><u>24,530,094</u></b>                            | <b><u>22,244,326</u></b>                    |
| <b>EQUITY</b>                                      |              |   |   |
| <b>Equity attributable to owners of the parent</b> |              |   |   |
| Share capital                                      | <i>12</i>    | <b>3,402,393</b>                                    | 3,270,393                                   |
| Perpetual capital instruments                      |              | <b>7,141,943</b>                                    | 7,075,529                                   |
| Reserves   |              | <b><u>9,999,703</u></b>                             | <u>8,516,038</u>                            |
|  |              | <b><u>20,544,039</u></b>                            | <u>18,861,960</u>                           |
| Non-controlling interests                          |              | <b><u>3,986,055</u></b>                             | <u>3,382,366</u>                            |
| <b>TOTAL EQUITY</b>                                |              | <b><u>24,530,094</u></b>                            | <b><u>22,244,326</u></b>                    |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024

## 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

## 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

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

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 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. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, 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 Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 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. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

### 3. OPERATING SEGMENT INFORMATION

The Group's operating segments are as follows:

For the six months ended 30 June 2024 (Unaudited)

|  | Gold<br>operations<br>RMB'000 | Copper<br>operations<br>RMB'000 | Others<br>RMB'000 | Total<br>RMB'000  |
|--|-------------------------------|---------------------------------|-------------------|-------------------|
| <b>Segment revenue</b>   |                               |                                 |                   |                   |
| Revenue from external customers  | <u>4,268,141</u>              | <u>169,881</u>                  | <u>189,181</u>    | <u>4,627,203</u>  |
| Segment results  | 1,142,771                     | (33,500)                        | (2,351)           | 1,106,920         |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Interest income  |                               |                                 |                   | 110,366           |
| Finance costs  |                               |                                 |                   | <u>(264,207)</u>  |
| Profit before tax  |                               |                                 |                   | <u>953,079</u>    |
| Segment assets   | 42,234,489                    | 2,619,769                       | 3,848,940         | 48,703,198        |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Corporate and other unallocated assets   |                               |                                 |                   | <u>3,854,343</u>  |
| Total assets   |                               |                                 |                   | <u>52,557,541</u> |
| Segment liabilities  | 4,453,128                     | 712,691                         | 1,202,533         | 6,368,352         |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Corporate and other unallocated liabilities  |                               |                                 |                   | <u>21,659,095</u> |
| Total liabilities  |                               |                                 |                   | <u>28,027,447</u> |
| <b>Other segment information</b>   |                               |                                 |                   |                   |
| Capital expenditure *  | 5,964,809                     | 38,341                          | 17,391            | 6,020,541         |
| Investments in associates  | 267,828                       | –                               | –                 | 267,828           |
| Investment in a joint venture  | –                             | –                               | 2,731             | 2,731             |
| Impairment losses recognised in the<br>statement of profit or loss                 | 237,547                       | 735                             | 4,114             | 242,396           |
| Share of gain/(loss) of:   |                               |                                 |                   |                   |
| – Associates   | 4,112                         | –                               | –                 | 4,112             |
| – Joint venture  | –                             | –                               | (478)             | (478)             |
| Depreciation and amortisation  | 521,972                       | 29,774                          | 41,040            | 592,786           |
| Fair value gain/(loss) on financial assets at<br>fair value through profit or loss | <u>159,652</u>                | <u>–</u>                        | <u>(27,657)</u>   | <u>131,995</u>    |

\* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and right-of-use assets.

For the six months ended 30 June 2023 (Unaudited)

|  | Gold<br>operations<br>RMB'000 | Copper<br>operations<br>RMB'000 | Others<br>RMB'000 | Total<br>RMB'000  |
|--|-------------------------------|---------------------------------|-------------------|-------------------|
| <b>Segment revenue</b>   |                               |                                 |                   |                   |
| Revenue from external customers  | <u>3,163,084</u>              | <u>127,866</u>                  | <u>155,962</u>    | <u>3,446,912</u>  |
| Segment results  | 861,822                       | (46,636)                        | (199,734)         | 615,452           |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Interest income  |                               |                                 |                   | 146,761           |
| Finance costs  |                               |                                 |                   | <u>(311,238)</u>  |
| Profit before tax  |                               |                                 |                   | <u>450,975</u>    |
| Segment assets   | 34,743,811                    | 2,578,884                       | 5,849,173         | 43,171,868        |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Corporate and other unallocated assets   |                               |                                 |                   | <u>7,327,758</u>  |
| Total assets   |                               |                                 |                   | <u>50,499,626</u> |
| Segment liabilities  | 4,540,505                     | 622,512                         | 1,683,451         | 6,846,468         |
| <i>Reconciliation:</i>   |                               |                                 |                   |                   |
| Corporate and other unallocated liabilities  |                               |                                 |                   | <u>22,637,209</u> |
| Total liabilities  |                               |                                 |                   | <u>29,483,677</u> |
| <b>Other segment information</b>   |                               |                                 |                   |                   |
| Capital expenditure *  | 1,027,492                     | 32,570                          | 12,642            | 1,072,704         |
| Investments in associates  | 272,946                       | –                               | 5,577             | 278,523           |
| Impairment losses recognised in the<br>statement of profit or loss                 | 50,400                        | 1,339                           | 4,271             | 56,010            |
| Share of gains of:   |                               |                                 |                   |                   |
| – Associates   | 2,357                         | –                               | 17                | 2,374             |
| Depreciation and amortisation  | 414,220                       | 19,783                          | 45,540            | 479,543           |
| Fair value gain/(loss) on financial assets at<br>fair value through profit or loss | <u>10,039</u>                 | <u>–</u>                        | <u>(171,456)</u>  | <u>(161,417)</u>  |

\* Capital expenditure consists of additions to property, plant and equipment, other intangible assets and right-of-use assets.

#### Seasonality of operations

The Group's operations are not subject to seasonality.



#### 4. REVENUE

An analysis of revenue is as follows:

|                                       | For the six months ended 30 June |                                |
|---------------------------------------|----------------------------------|--------------------------------|
|                                       | 2024<br>RMB'000<br>(Unaudited)   | 2023<br>RMB'000<br>(Unaudited) |
| Revenue from contracts with customers | 4,763,553                        | 3,543,134                      |
| Less: Government surcharges           | (136,350)                        | (96,222)                       |
| Total                                 | <u>4,627,203</u>                 | <u>3,446,912</u>               |

#### Disaggregated revenue information for revenue from contracts with customers

##### For the six months ended 30 June 2024

| Segments                              | Gold<br>RMB'000  | Copper<br>RMB'000 | Others<br>RMB'000 | Total<br>RMB'000 |
|---------------------------------------|------------------|-------------------|-------------------|------------------|
| <b>Types of goods or services</b>     |                  |                   |                   |                  |
| Sale of gold                          | 4,270,628        | 10,362            | 18,047            | 4,299,037        |
| Sale of copper                        | 3,009            | 146,611           | –                 | 149,620          |
| Sale of silver                        | 58,277           | 8,987             | –                 | 67,264           |
| Sale of sulphur                       | 1,737            | 3,405             | 15,745            | 20,887           |
| Sale of other by-products             | 64,162           | –                 | 79,393            | 143,555          |
| Rendering of processing services      | 3,484            | 1,946             | –                 | 5,430            |
| Others                                | –                | –                 | 77,760            | 77,760           |
| Less: Government surcharges           | (133,156)        | (1,430)           | (1,764)           | (136,350)        |
| Total                                 | <u>4,268,141</u> | <u>169,881</u>    | <u>189,181</u>    | <u>4,627,203</u> |
| <b>Geographical markets</b>           |                  |                   |                   |                  |
| Chinese Mainland                      | 4,195,475        | 171,311           | 190,945           | 4,557,731        |
| Overseas                              | 205,822          | –                 | –                 | 205,822          |
| Less: Government surcharges           | (133,156)        | (1,430)           | (1,764)           | (136,350)        |
| Total                                 | <u>4,268,141</u> | <u>169,881</u>    | <u>189,181</u>    | <u>4,627,203</u> |
| <b>Timing of revenue recognition</b>  |                  |                   |                   |                  |
| Revenue recognised at a point in time | 4,401,297        | 171,311           | 131,832           | 4,704,440        |
| Revenue recognised over time          | –                | –                 | 59,113            | 59,113           |
| Less: Government surcharges           | (133,156)        | (1,430)           | (1,764)           | (136,350)        |
| Total                                 | <u>4,268,141</u> | <u>169,881</u>    | <u>189,181</u>    | <u>4,627,203</u> |

For the six months ended 30 June 2023

| <b>Segments</b>                       | Gold<br><i>RMB'000</i> | Copper<br><i>RMB'000</i> | Others<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---------------------------------------|------------------------|--------------------------|--------------------------|-------------------------|
| <b>Types of goods or services</b>     |                        |                          |                          |                         |
| Sale of gold                          | 3,138,015              | 9,760                    | –                        | 3,147,775               |
| Sale of copper                        | 142                    | 111,620                  | –                        | 111,762                 |
| Sale of silver                        | 35,737                 | 6,161                    | –                        | 41,898                  |
| Sale of sulphur                       | 85                     | 358                      | 35,315                   | 35,758                  |
| Sale of other by-products             | 58,138                 | –                        | 85,426                   | 143,564                 |
| Rendering of processing services      | 25,099                 | 1,049                    | –                        | 26,148                  |
| Others                                | –                      | –                        | 36,229                   | 36,229                  |
| Less: Government surcharges           | (94,132)               | (1,082)                  | (1,008)                  | (96,222)                |
| <b>Total</b>                          | <b>3,163,084</b>       | <b>127,866</b>           | <b>155,962</b>           | <b>3,446,912</b>        |
| <b>Segments</b>                       |                        |                          |                          |                         |
|                                       | Gold<br><i>RMB'000</i> | Copper<br><i>RMB'000</i> | Others<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
| <b>Geographical markets</b>           |                        |                          |                          |                         |
| Chinese Mainland                      | 3,249,253              | 128,948                  | 156,970                  | 3,535,171               |
| Overseas                              | 7,963                  | –                        | –                        | 7,963                   |
| Less: Government surcharges           | (94,132)               | (1,082)                  | (1,008)                  | (96,222)                |
| <b>Total</b>                          | <b>3,163,084</b>       | <b>127,866</b>           | <b>155,962</b>           | <b>3,446,912</b>        |
| <b>Timing of revenue recognition</b>  |                        |                          |                          |                         |
| Revenue recognised at a point in time | 3,257,216              | 128,948                  | 138,349                  | 3,524,513               |
| Revenue recognised over time          | –                      | –                        | 18,621                   | 18,621                  |
| Less: Government surcharges           | (94,132)               | (1,082)                  | (1,008)                  | (96,222)                |
| <b>Total</b>                          | <b>3,163,084</b>       | <b>127,866</b>           | <b>155,962</b>           | <b>3,446,912</b>        |

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

|   | <b>For the six months ended 30 June</b>      |                                       |
|---|--|---------------------------------------|
|   | <b>2024</b><br><i>RMB'000</i><br>(Unaudited) | 2023<br><i>RMB'000</i><br>(Unaudited) |
| Cost of inventories sold                          | <b>2,650,560</b>                             | 2,102,505                             |
| Write-down of inventories to net realisable value | <b>12,958</b>                                | 23,958                                |
| Impairment of receivables                         | <b>10,097</b>                                | 19,181                                |
| Impairment of loans receivable                    | <b>1,361</b>                                 | 12,872                                |
| Impairment of property, plant and equipment       | <b>217,980</b>                               | –                                     |
| Exchange differences, net                         | <b>34,882</b>                                | 8,767                                 |

## 6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Profits tax in Chinese Mainland has been provided based on the statutory rate of 25% (2023: 25%) of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain high and new technology enterprises and western-region-development enterprises of the Group in Chinese Mainland, which are taxed at a preferential rate of 15%. Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%) for subsidiaries qualified under the two-tiered profits tax rate regime. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are as follows:

|                                 | For the six months ended 30 June |               |
|---------------------------------|----------------------------------|---------------|
|                                 | 2024                             | 2023          |
|                                 | RMB'000                          | RMB'000       |
|                                 | (Unaudited)                      | (Unaudited)   |
| Current – Chinese Mainland      |                                  |               |
| – Charge for the period         | 231,200                          | 115,393       |
| Current – Elsewhere             |                                  |               |
| – Charge for the period         | 9,983                            | –             |
| Deferred tax                    | (14,524)                         | (29,778)      |
| Total tax charge for the period | <u>226,659</u>                   | <u>85,615</u> |

## 7. DIVIDENDS

|  | For the six months ended 30 June |                |
|--|----------------------------------|----------------|
|  | 2024                             | 2023           |
|  | RMB'000                          | RMB'000        |
|  | (Unaudited)                      | (Unaudited)    |
| Final declared and paid – RMB0.04 (2023: RMB0.04) per ordinary share | <u>136,093</u>                   | <u>130,816</u> |

On 3 June 2024, the declaration of 2023 final dividend of RMB0.04 per ordinary share (tax included) (5 June 2023: RMB0.04 per ordinary share (tax included)), amounting to a total of approximately RMB136,093,000 (2023: RMB130,816,000) was approved at the annual general meeting of the Company. No interim dividend was proposed for the Period.

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

Basic earnings per share is computed by dividing the profit attributable to ordinary equity holders of the parent for the period of RMB412,379,000 (for the six months ended 30 June 2023: RMB136,797,000) by the weighted average number of ordinary shares in issue during the period of 3,320,437,000 (for the six months ended 30 June 2023: 3,270,393,000).

The diluted earnings per share amounts were equal to the basic earnings per share amounts for the six months ended 30 June 2024 and 30 June 2023, as no diluting events existed during these periods.

## 9. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group acquired property, plant and equipment at a cost of RMB839,691,000 (30 June 2023: RMB790,616,000) and other intangible assets at a cost of RMB110,707,000 (30 June 2023: RMB162,663,000), excluding property, plant and equipment and other intangible assets acquired through a business combination disclosed in note 13.

During the six months ended 30 June 2024, property, plant and equipment with a net book value of RMB4,837,000 (30 June 2023: RMB1,484,000) were disposed of by the Group, resulting in a net loss on disposal of RMB419,000 (30 June 2023: RMB876,000). In addition, property, plant and equipment with a net book value of RMB127,135,000 were used to settle a debt of RMB82,918,000, resulting in a net loss of RMB44,217,000.

During the six months ended 30 June 2024, an impairment loss of RMB217,980,000 was mainly recognised for certain property, plant and equipment of two mines in the Gold segment, as a result of the strategic adjustment and business plan adjustment of the mines during the period. The management determined to close a mine, which has been suspended for several years due to potential suffer of losses, and fully recognized impairment losses for its remaining property, plant and equipment, due to the lack of mobility and market value. Business plans have been adjusted for another mine and the impairment charges are driven by the lower of the recoverable amounts of the cash generating unit (“CGU”) as compared with the carrying amounts in aggregate of relevant assets. The recoverable amount has been determined at the level of the CGU based on a value-in-use calculation using cash flow projections. The CGU mainly consisted of property, plant and equipment, and other intangible assets allocated to the Gold segment. The discount rate applied to the cash flow projections is 12% (30 June 2023: 12%).

## 10. TRADE AND NOTES RECEIVABLES

|                   | <b>30 June 2024</b><br><b>RMB'000</b><br><b>(Unaudited)</b> | 31 December 2023<br><b>RMB'000</b><br><b>(Unaudited)</b> |
|-------------------|---|--|
| Trade receivables | <b>416,557</b>  | 238,950  |
| Notes receivables | <b>30,167</b>   | 10,449   |
| Impairment        | <b>(22,513)</b>   | (21,600)   |
| Total             | <b>424,211</b>  | 227,799  |

An ageing analysis of the trade receivables, based on the invoice date, and net of loss allowance, is as follows:

|                                       | <b>30 June 2024</b><br><b>RMB'000</b><br><b>(Unaudited)</b> | 31 December 2023<br><i>RMB'000</i><br>(Unaudited) |
|---------------------------------------|---|---|
| Within one year                       | <b>386,189</b>  | 203,875   |
| Over one year but within two years    | <b>4,170</b>  | 6,066   |
| Over two years but within three years | <b>3,685</b>  | 3,635   |
| Over three years                      | <b>–</b>  | 3,774   |
|                                       | <hr/>   | <hr/>   |
| Total                                 | <b>394,044</b>  | 217,350   |
|                                       | <hr/> <hr/>   | <hr/> <hr/>                                       |

#### 11. TRADE AND BILLS PAYABLES

|                | <b>30 June 2024</b><br><b>RMB'000</b><br><b>(Unaudited)</b> | 31 December 2023<br><i>RMB'000</i><br>(Unaudited) |
|----------------|---|---|
| Trade payables | <b>726,060</b>  | 362,584   |
| Bills payable  | <b>127,682</b>  | 158,170   |
|                | <hr/>   | <hr/>   |
| Total          | <b>853,742</b>  | 520,754   |
|                | <hr/> <hr/>   | <hr/> <hr/>                                       |

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

|                                       | <b>30 June 2024</b><br><b>RMB'000</b><br><b>(Unaudited)</b> | 31 December 2023<br><i>RMB'000</i><br>(Unaudited) |
|---------------------------------------|---|---|
| Within one year                       | <b>750,364</b>  | 471,674   |
| Over one year but within two years    | <b>79,461</b>   | 23,971  |
| Over two years but within three years | <b>6,192</b>  | 8,806   |
| Over three years                      | <b>17,725</b>   | 16,303  |
|                                       | <hr/>   | <hr/>   |
| Total                                 | <b>853,742</b>  | 520,754   |
|                                       | <hr/> <hr/>   | <hr/> <hr/>                                       |

## 12. SHARE CAPITAL

|   | 30 June 2024<br><i>RMB'000</i><br>(Unaudited) | 31 December 2023<br><i>RMB'000</i><br>(Unaudited) |
|---|---|---|
| Registered, issued and fully paid:                              |   |   |
| 660,837,607 (2023: 660,837,607) domestic shares of RMB1.00 each | 660,838                                       | 660,838   |
| 2,741,555,597 (2023: 2,609,555,597) H shares of RMB1.00 each    | <u>2,741,555</u>                              | <u>2,609,555</u>                                  |
| Total   | <u><u>3,402,393</u></u>                       | <u><u>3,270,393</u></u>                           |

A summary of movements in the Company's share capital is as follows:

| <b>Domestic shares:</b>                   | <b>Number of<br/>shares in issue<br/>(Unaudited)</b> | <b>Share capital<br/><i>RMB'000</i><br/>(Unaudited)</b> |
|---|--|---|
| As at 31 December 2023                    | 660,837,607  | 660,838   |
| As at 30 June 2024                        | <u>660,837,607</u>                                   | <u>660,838</u>  |
|   |  |   |
| <b>H shares:</b>                          | <b>Number of<br/>shares in issue<br/>(Unaudited)</b> | <b>Share capital<br/><i>RMB'000</i><br/>(Unaudited)</b> |
| As at 31 December 2023                    | 2,609,555,597  | 2,609,555   |
| Placing of new H shares ( <i>Note a</i> ) | <u>132,000,000</u>                                   | <u>132,000</u>  |
| As at 30 June 2024                        | <u><u>2,741,555,597</u></u>                          | <u><u>2,741,555</u></u>                                 |

*Note:*

- (a) On 22 April 2024, an aggregate of 132,000,000 placing shares have been placed at the placing price of HK\$13.20 per placing share. The net proceeds approximated to HKD1,725,300,000 (equivalent to RMB1,568,145,000).

## 13. BUSINESS COMBINATION

On 24 May 2024, the Group acquired a 90.52% interest in total in Tietto Mineral Limited ("Tietto") as a result of the off-market takeover offer made by Zhaojin Capital (Hong Kong) Limited (an indirectly wholly-owned subsidiary of the Company) for all of the issued shares in Tietto, not then held by the Group. The Group held 6.91% of the issued shares of Tietto before the acquisition and accounted for it under financial assets at fair value through profit or loss, with a fair value of RMB256,638,000 at the acquisition date. Tietto was an Australian-headquartered gold miner, operating the Abujar Gold Mine in Côte d'Ivoire, which achieved commercial production on 6 July 2023. Tietto was previously listed on the Australian Securities Exchange and delisted on 6 June 2024 after the acquisition. The acquisition was made as part of the Group's strategy to expand its business overseas and to improve the overall profitability of its operation.

The purchase consideration for the acquisition was in the form of cash, with AUD651,864,000 (equivalent to RMB3,081,164,000).

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

|  | <b>Fair value recognised<br/>on acquisition</b> |
|--|---|
|  | <i>RMB'000</i>                                  |
|  | (Unaudited)                                     |
| Property, plant and equipment  | 1,430,419                                       |
| Other intangible assets  | 3,425,316                                       |
| Right-of-use assets  | 192   |
| Equity investments designated at fair value through other comprehensive income | 47  |
| Deferred tax assets  | 524   |
| Inventories  | 389,055   |
| Prepayments, other receivables and other assets                                | 118,427   |
| Cash and cash equivalents  | 138,926   |
| Trade and notes payables   | (420,510)                                       |
| Other payables and accruals  | (54,859)  |
| Tax payable  | (98,186)  |
| Current portion of other long-term liabilities                                 | (162)   |
| Provisions   | (43,879)  |
| Deferred tax liabilities   | (857,130)                                       |
|  | <hr/>   |
| Total identifiable net assets at fair value                                    | 4,028,180                                       |
| Non-controlling interests  | (687,474)                                       |
| Derecognition of financial instruments   | (256,638)                                       |
| Exchange differences   | (2,904)   |
|  | <hr/>   |
| Satisfied by cash  | <u><u>3,081,164</u></u>                         |

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

|   | <i>RMB'000</i>            |
|---|---------------------------|
|   | (Unaudited)               |
| Cash consideration  | (3,081,164)               |
| Cash and bank balances acquired   | 138,926                   |
|   | <hr/>                     |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | (2,942,238)               |
| Transaction costs of the acquisition included in cash flows from operating activities     | (3,271)                   |
|   | <hr/>                     |
| Total net cash outflow  | <u><u>(2,945,509)</u></u> |

The Group incurred transaction costs of RMB3,271,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the interim condensed consolidated statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

Since the acquisition, Tietto contributed RMB197,984,000 to the Group's revenue and RMB18,214,000 to the consolidated profit for the six months ended 30 June 2024.

Had the combination taken place at the beginning of the period, the revenue and the profit attributable to the Group for the period would have been RMB5,470,064,000 and RMB 536,650,000, respectively.

## **I. INTERIM RESULTS**

### **Revenue**

During the Period, the Group generated revenue of approximately RMB4,627,203,000 in total (the corresponding period of 2023: approximately RMB3,446,912,000), representing an increase of approximately 34.24% as compared to the corresponding period of last year.

### **Net profit**

During the Period, the net profit of the Group was approximately RMB726,420,000 (the corresponding period of 2023: approximately RMB365,360,000), representing an increase of approximately 98.82% as compared to the corresponding period of last year.

### **Product production**

During the Period, the Group attained an aggregate gold production of approximately 13,178.35 kg (approximately 423,693.18 ozs), representing an increase of approximately 11.98% as compared to the corresponding period of last year. In particular, the gold output from the Group's mines amounted to 8,997.03 kg (approximately 289,261.02 ozs), representing an increase of approximately 6.86% as compared to the corresponding period of last year, and the gold output from the smelting and tolling arrangement amounted to approximately 4,181.31 kg (approximately 134,432.24 ozs), representing an increase of approximately 24.83% as compared to the corresponding period of last year. During the Period, the Group attained an aggregate copper production of approximately 4,082 tonnes (comprising 1,263 tonnes of copper produced from mines and 2,819 tonnes of copper smelted), representing an increase of approximately 54.15% as compared to the corresponding period of last year.

### **Profit attributable to owners of the parent**

During the Period, the profit attributable to owners of the parent was approximately RMB552,793,000 (the corresponding period of 2023: approximately RMB252,858,000), representing an increase of approximately 118.62% as compared to the corresponding period of last year.

### **Earnings per share**

During the Period, the basic and diluted earnings per share attributable to the ordinary equity holders of the parent amounted to approximately RMB0.12 (the corresponding period of 2023: approximately RMB0.04), representing an increase of approximately 200.00% as compared to the corresponding period of last year.

### **Net assets per share**

As at 30 June 2024, the consolidated net assets per share was approximately RMB7.21 (30 June 2023: approximately RMB6.43), and the yield to net assets during the Period was approximately 2.96% (the corresponding period of 2023: approximately 1.74%).



## II. INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (the corresponding period of 2023: nil).

## III. BUSINESS REVIEW

In the first half of 2024, ongoing geopolitical conflicts, a sluggish global economic recovery, high inflation, and the escalating trends of unilateralism and protectionism have all contributed to a renewed focus on the hedging and value-preservation functions of gold. These factors have propelled the price of gold to continuously reach new historic highs. By the end of June, the London spot gold fixing price stood at US\$2,330.90 per ounce, marking a 12.34% increase from the year's opening price of US\$2,074.90 per ounce. The average price for the first half of the year was US\$2,202.91 per ounce, reflecting a 14.05% increase compared to US\$1,931.54 per ounce for the same period of last year. At the end of June, the Shanghai Gold Exchange ("SGE") recorded a closing price of RMB549.88 per gram for Au9999 gold, indicating a 14.37% increase from the opening price of RMB480.80 per gram at the beginning of the year. The weighted average price for the first half of the year was RMB514.12 per gram, representing an increase of 18.98% compared to RMB432.09 per gram for the same period of last year. (Data source: China Gold Association).

During the first half of the year, seizing the historic opportunity presented by the high gold prices, the Group continuously improved its market forecasting and opportunity utilization capabilities, emphasizing performance-driven strategies, strengthening operational management, and invigorating business activities, and successfully achieved its objectives for the first half of the year.

**Seizing opportunities to increase reserves and production, leading to continued improvement in production and operations.** In the first half of the year, the Group seized favorable market opportunities, focused on key aspects such as mining engineering, processing management and product sales, scientifically organized production and conducted labor competitions to promote production improvement and increase, thereby achieved a total gold production of 13,178.35 kg (approximately 423,693.18 ozs), including 8,997.03 kg of mine-produced gold (289,261.02 ozs). In addition, through exploration and reserve increases, the Group facilitated sustainable development, with geological exploration investments totaling RMB42 million and an additional 14.31 tons of gold metal discovered through exploration.

**Domestic and international collaboration to expand incremental productivity and accelerate project construction.** In the first half of the year, key projects led by the mining and processing project of Ruihai Mining\* (瑞海礦業) in China and acquisition of Tietto Minerals Limited ("Tietto") overseas progressed as planned, with key initiatives such as production stabilization and increase and in-depth exploration of Zaozigou Gold Mine\* (早子溝金礦), development of Beishan Mining\* (北山礦業), and production increase and capacity expansion of Canzhuang Gold Mine\* (蠶莊金礦) advancing rapidly. Currently, the Company has completed the acquisition of 100% equity in Tietto and controlling stake of the Komahun Mine and smoothly completed the on-site takeover, which expanded the Group's overall presence in the West African mining market. In the future, these projects will gradually form a large-scale and positive effect of synergistic development.

**Diligently cultivating internal strength and implementing lean management to achieve significant results in quality and efficiency improvement.** In the first half of the year, the Group focused on management initiatives such as the “Five Excellence Competition” and “Six Reductions and Six Guarantees” to save costs and increase efficiency. By strengthening key areas such as engineering construction, project development, electricity costs and procurement management, the Group made great efforts to explore potentials for consumption reduction. To broaden financing channels, the Group carried out a placing of 132 million shares with approximately HK\$1.74 billion raised, thereby further optimizing the Group’s debt structure and effectively replenishing working capital.

**Upholding responsibility and strengthening the foundation to maintain a stable situation in terms of production safety.** In the first half of the year, in response to multiple complex factors such as frequent extreme weather nationwide and tightening safety requirements, the Group consistently prioritized production safety, reinforced an all-staff production safety responsibility system, invested RMB60 million in safety measures, launched an in-depth production safety enhancement campaign, and made solid progress in key areas such as improvement, transportation, power supply and distribution, and tailings pond management, ensuring a continuously stable situation in terms of production safety.

#### **IV. FINANCIAL AND RESULTS ANALYSIS**

##### **Revenue**

During the Period, the Group’s revenue amounted to approximately RMB4,627,203,000 (the corresponding period of 2023: approximately RMB3,446,912,000), representing an increase of approximately 34.24% as compared to the corresponding period of last year. During the Period, the increase in revenue was primarily due to the increase in gold sales prices and the sales volume of the Group.

##### **Net profit**

During the Period, net profit of the Group amounted to approximately RMB726,420,000 (the corresponding period of 2023: approximately RMB365,360,000), representing an increase of approximately 98.82% as compared to the corresponding period of last year. The increase in net profit was primarily due to the increase in the gross profit from sales and the decrease in the financial costs of the Group.

##### **Integrated cost of gold per gram**

During the Period, the Group’s integrated cost of gold per gram was approximately RMB209.99 per gram (the corresponding period of 2023: approximately RMB214.67 per gram), representing a decrease of approximately 2.18% as compared to the corresponding period of last year. The decrease in integrated cost of gold per gram was primarily due to the increase in the gold production volume as well as improved cost control of the Group.

**Cost of sales**

During the Period, the Group's cost of sales amounted to approximately RMB2,650,560,000 (the corresponding period of 2023: approximately RMB2,102,505,000), representing an increase of approximately 26.07% as compared to the corresponding period of last year. The increase was primarily attributable to the increase in gold sales of the Group.

**Gross profit and gross profit margin**

During the Period, the Group's gross profit was approximately RMB1,976,643,000, representing an increase of approximately 47.03% as compared to RMB1,344,407,000 of the corresponding period of last year. The Group's gross profit margin has increased from approximately 39.00% for the corresponding period of last year to approximately 42.72% for the Period. The increase in gross profit was mainly due to the increase in gold sales price and sales volume of the Group.

**Other income and gains**

During the Period, the Group's other income and gains were approximately RMB383,824,000 (the corresponding period of 2023: approximately RMB296,248,000), representing an increase of approximately 29.56% as compared to the corresponding period of last year. The increase was mainly due to the increase in fair value of the financial assets at fair value through profit or loss of the Group.

**Selling and distribution costs**

During the Period, the Group's selling and distribution costs were approximately RMB16,094,000 (the corresponding period of 2023: approximately RMB15,248,000), representing an increase of approximately 5.55% as compared to the corresponding period of last year. The increase was mainly due to the increase in gold processing fees of the Group.

**Administrative and other operating expenses**

During the Period, the Group's administrative and other operating expenses were approximately RMB1,130,721,000 (the corresponding period of 2023: approximately RMB865,568,000), representing an increase of approximately 30.63% as compared to the corresponding period of last year. The increase was mainly due to the provision for impairment of property, plant and equipment by the Group during the Period.

**Finance costs**

During the Period, the Group's finance costs amounted to approximately RMB264,207,000 (the corresponding period of 2023: approximately RMB311,238,000), representing a decrease of approximately 15.11% as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in the weighted average financing interest rate of the Group.

## **Liquidity and capital resources**

The working capital and funding required by the Group were mainly generated from its cash flows from operations and borrowings, while the Group's capital was primarily used to fund its capital expenditures, operating activities and repayment of borrowings.

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB2,229,078,000, representing a decrease of approximately 23.56% as compared to approximately RMB2,916,103,000 as at 31 December 2023. Such decrease was mainly due to the increase in the Group's net cash outflows from investing activities.

As at 30 June 2024, the balance of cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB244,402,000 (31 December 2023: RMB22,697,000), those denominated in United States dollars amounted to approximately RMB244,287,000 (31 December 2023: RMB159,693,000), those denominated in Australian dollars amounted to approximately RMB385,799,000 (31 December 2023: RMB21,352,000), those denominated in Great Britain Pound amounted to approximately were RMB6,082,000 (31 December 2023: RMB4,491,000), those denominated in West African Franc amounted to approximately RMB12,573,000 (31 December 2023: nil) and those denominated in Canadian dollars amounted to approximately RMB21,479,000 (31 December 2023: RMB13,042,000). All other cash and cash equivalents held by the Group are denominated in RMB.

Pursuant to the Regulation of the People's Republic of China on Foreign Exchange Administration and the Administration Regulations on Foreign Exchange Settlement, Sales and Payment, the Group is permitted to exchange RMB for other currencies through those banks which are authorized to conduct foreign exchange business.

## **Borrowings**

As at 30 June 2024, the Group had outstanding bank borrowings, other borrowings and gold from gold leasing business (the Group financed through leases of gold from bank and subsequently sold through SGE) of approximately RMB12,543,162,000 (31 December 2023: RMB9,767,317,000), of which approximately RMB7,252,062,000 (31 December 2023: RMB4,824,267,000) was repayable within one year, and approximately RMB3,681,200,000 (31 December 2023: RMB4,643,050,000) was repayable within two to five years, and approximately RMB1,609,900,000 (31 December 2023: RMB300,000,000) was repayable over five years. As at 30 June 2024, the Group had outstanding corporate bonds of approximately RMB999,967,000 (31 December 2023: RMB2,999,486,000), which shall be repaid within one year, and approximately RMB6,995,108,000 (31 December 2023: RMB4,996,288,000), which shall be repaid within two to five years.

As at 30 June 2024, all borrowings of the Group are denominated in RMB (31 December 2023: bank loans of RMB672,857,000 were denominated in United States dollars, bank loans of RMB699,783,000 were denominated in Hong Kong dollars and the remaining interest-bearing bank and other borrowings of the Group were denominated in RMB). As at 30 June 2024, except for secured and guaranteed bank loans and other borrowings of RMB419,376,000 (31 December 2023: RMB1,418,100,000), all borrowings are unsecured. As at 30 June 2024, 54.85% (31 December 2023: 57.74%) of the interest-bearing bank loans and other borrowings held by the Group were at fixed rates.

**Income tax**

The effective income tax rate (i.e. the total income tax divided by profit before tax) of the Group during the Period was approximately 23.78% (the corresponding period of 2023: approximately 18.98%).

**Total assets**

As at 30 June 2024, the total assets of the Group were approximately RMB52,557,541,000, representing an increase of approximately 12.14% as compared to approximately RMB46,867,396,000 as at 31 December 2023. Among which, total non-current assets amounted to approximately RMB38,858,227,000, accounting for approximately 73.93% of the total assets, and representing an increase of approximately 14.86% as compared to approximately RMB33,830,534,000 as at 31 December 2023. As at 30 June 2024, total current assets were approximately RMB13,699,314,000, accounting for approximately 26.07% of the total assets, and representing an increase of approximately 5.08% as compared to approximately RMB13,036,862,000 as at 31 December 2023.

**Net assets**

As at 30 June 2024, the net assets of the Group were approximately RMB24,530,094,000, representing an increase of approximately 10.28% as compared to approximately RMB22,244,326,000 as at 31 December 2023.

**Total liabilities**

As at 30 June 2024, the total liabilities of the Group were approximately RMB28,027,447,000, representing an increase of approximately 13.83% as compared to approximately RMB24,623,070,000 as at 31 December 2023. As at 30 June 2024, the gearing ratio (i.e. the net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank and other borrowings, corporate bonds less the balance of cash and cash equivalents) was approximately 42.74% (31 December 2023: 40.03%).

**Contingent liabilities**

As at 30 June 2024, the contingent liabilities of the Group did not have any change as compared to 31 December 2023.

**Market risks**

The Group is exposed to various types of market risks, including fluctuations in gold price and other commodities prices, changes in interest rates and foreign exchange rates.

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to the Group's cash and bank deposits, interest-bearing bank and other borrowings and corporate bonds. The Group controls its interest rate risk from the holding of certain cash, bank deposits, interest-bearing bank and other borrowings and corporate bonds mainly through placing short-term deposits at fixed and floating rates and at the same time having bank borrowings at fixed and floating rates.

During the Period, the Group had not used any interest rate swaps to hedge its exposure to interest rate risk.

### **Foreign exchange risk**

The majority of the Group's transactions are carried out in RMB. The fluctuations in the RMB/USD exchange rate may affect the international and local gold price, which may therefore affect the Group's operating results. Fluctuation of foreign exchange rate may have an adverse effect on net assets, earnings and any dividend declared by the Group, which shall be converted or translated into Hong Kong dollars.

During the Period, the Group had not conducted any hedging activities for the exchange rate fluctuation.

### **Gold price and other commodities price risks**

The Group's exposure to price risk relates principally to the fluctuations in the market price of gold and copper, which may affect the Group's operation results. During the Period, the Group has, under certain circumstances, entered into AU (T+D) contracts, which are substantially commodity contracts of deferred delivery. Under the framework of these contracts, the Group can buy or sell gold at day price with a margin payment of 10% of the total trading value, to achieve same day delivery or deferred delivery. There is no restriction imposed on the settlement period. During the Period, the Group has not entered into any long-term AU (T+D) contract framework.

The Group also entered into copper cathode and gold forward contracts on the Shanghai Futures Exchange to hedge price fluctuations of copper and gold.

The price range of the deferred commodity contracts is closely monitored by the management of the Group. Accordingly, a possible fluctuation of 10% in commodity prices would have no significant impact on the Group's profit and equity for the Period.

### **Pledge**

As at 30 June 2024, except for the following assets pledged or charged for environmental improvement funds, margin of commodity contracts, margin of AU (T+D) contracts, and for obtaining bank borrowings and notes payable, the Group had not pledged or charged any other assets: pledged deposits of RMB120,000,000 (31 December 2023: RMB120,000,000).

## V. BUSINESS PROSPECTS

In the second half of the year, the Group will closely align with the various tasks and objectives set by the Board, focus on solidifying the “Four Key Points” of work to drive the Company to increase production and reserves and enhance quality and efficiency.

**Focusing on production organization to achieve increased production and efficiency.** In the second half of the year, the Group will strengthen production organization and optimization of indicators, focus on key mines such as the Xiadian Gold Mine\* (夏甸金礦), Dayingezhuang Gold Mine\* (大尹格莊金礦) and Zaozigou Gold Mine\* (早子溝金礦), improve processing and smelting technologies, increase recovery rates and explore the potential for expanding capacity and increasing production. The Group will strengthen the operation and management of the newly acquired mines, promote the smooth transition of the Abujar Gold Mine, realize stable and increased production, and increase reserves through exploration to expand benefits. The Group will also accelerate the construction of the Komahun Mine and other projects so as to realize early completion and commencement of production.

**Focusing on project construction to solidify future development momentum.** In the second half of the year, the Group will focus its efforts on promoting dual key projects to ensure that they are implemented as planned. The Group will accelerate the progress of the mining and processing project of Ruihai Mining\* (瑞海礦業) and the production and efficiency expansion projects of Xiadian Gold Mine\* (夏甸金礦) and Dayingezhuang Gold Mine\* (大尹格莊金礦). The Group will strengthen scientific research and accelerate result transformation, focus on advancing 22 “one project by one enterprise” projects, 6 key mine processing and smelting quality and efficiency improvement projects, and 10 key scientific research and development projects for the current year, with an aim to make breakthrough progress within the year.

**Focusing on increasing resource reserves to expand development opportunities.** Facing the increasingly fierce competition in the gold industry, the Group will firmly maintain its resource advantages, continue to increase the investment in geological prospecting and exploration at various mines, and strengthen the efforts in prospecting and reserve increase in the surrounding and untapped areas of key mines such as Dayingezhuang Gold Mine\* (大尹格莊金礦), Subei Jinying\* (肅北金鷹) and Zhaojin Beijiāng\* (招金北疆). The Group will accelerate the pace of mergers and acquisitions of mining rights around its existing mines and in important domestic metallogenic zones. The Group will steadily promote the acquisition of overseas high-quality resources and continue to strengthen its resource foundation.

**Focusing on operational control to enhance development quality.** In the second half of the year, the Group will continue to implement the ESG concept of sustainable development and pursue safe, green, compliant and harmonious development. The Group will strengthen its safety protocols and deepen the dual prevention mechanism for production safety and the identification and management of hidden dangers; improve and refine the compliance management system, intensify supervision in key areas, and enhance the Company’s regulatory compliance standards; and implement corporate culture initiatives and community engagement projects to cultivate a safe and harmonious mining environment.

## OTHER INFORMATION

### I. CHANGES IN SHAREHOLDING OF SHAREHOLDERS AND SHARE CAPITAL STRUCTURE

#### 1. Number of shareholders

The details of the number of shareholders of the Company (the “Shareholders”) recorded in the register of members as at 30 June 2024 are as follows:

| Class                                   | Number of Shareholders |
|---|------------------------|
| Domestic share                          | 2                      |
| Overseas-listed foreign share – H share | <u>1,269</u>           |
| Total number of Shareholders            | <u><u>1,271</u></u>    |

### II. SUFFICIENT PUBLIC FLOAT

Based on the information available to the Company and so far as the Directors were aware, the Company confirmed that during the Period and up to the date of this announcement, sufficient public float of the shares of the Company was maintained.

### III. PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

### IV. CONVERTIBLE SECURITIES, SHARE OPTIONS, WARRANTS OR SIMILAR RIGHTS

During the Period, the Company did not issue any convertible securities, share options, warrants or similar rights. During the Period and up to the date of this announcement, the Group has no share option scheme.

### V. EMPLOYEES

As of 30 June 2024, the Company had a total of 6,801 employees. The Group remunerates its employees according to their performance, experience and prevailing industry practices and provide other benefits to employees (including retirement benefit plans, medical benefit plans and housing fund plans). The Group also provides opportunities for further education and training to its employees. The Group offers competitive remuneration packages to its employees and reviews employee remuneration annually with reference to the prevailing labor market and human resources market trends and laws.



## **VI. IMPORTANT EVENTS**

### **1. On 3 June 2024, the 2023 annual general meeting considered and passed, among other things, the following resolutions:**

- (1) the Company's profit distribution plan for the year ended 31 December 2023 that is, it is recommended to distribute a final dividend for the year ended 31 December 2023 of RMB0.04 (before taxation) per share to all Shareholders;
- (2) authorizing the Board a general mandate to allot, issue or deal with H shares and domestic shares of up to a maximum of 20% of the respective total number of issued H shares and existing domestic shares of the Company as at the date of passing such resolution;
- (3) authorizing the Board a general mandate to repurchase H shares of up to a maximum of 10% of the total number of issued H shares of the Company as at the date of passing such resolution;
- (4) the proposed registration and issuance of super short-term bonds of not more than RMB10.0 billion in the PRC and to grant authority to the Board to deal with such matters relating to the registration and issuance of the super short-term bonds;
- (5) the proposed registration and issuance of the corporate bonds of not more than RMB6.0 billion in the PRC and to grant authority to the Board to deal with such matters relating to the registration and issuance of the corporate bonds; and
- (6) the proposed amendments to the Article 3.5 and Article 3.8 to the articles of association of the Company (the "Articles of Association").

Relevant details were set out in the circular and notice of the Company both dated 22 April 2024 and the supplemental circular and supplemental notice of the Company both dated 10 May 2024, and the voting results announcement of the Company dated 3 June 2024 respectively published on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

### **2. On 3 June 2024, the domestic shares class meeting and H shares class meeting considered and approved the following resolutions:**

- (1) authorizing the Board a general mandate to repurchase H shares of up to a maximum of 10% of the total number of issued H shares of the Company as at the date of passing such resolution; and
- (2) the proposed amendments to the Article 3.5 and Article 3.8 to the Articles of Association.

Relevant details were set out in the circular and notices of the Company both dated 22 April 2024 and the supplemental circular and notice of the Company both dated 10 May 2024, and the voting results announcement of the Company dated 3 June 2024 respectively published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

### **3. Issuance of super short-term bonds**

- (1) On 26 January 2024, the Company issued the first tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 89 days and bearing interest rate of 2.28% per annum. The proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 25 January 2024 and 29 January 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

- (2) On 19 April 2024, the Company issued the second tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 60 days and bearing interest rate of 1.78% per annum. The proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 18 April 2024 and 23 April 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

- (3) On 11 May 2024, the Company issued the third tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 180 days and bearing interest rate of 1.88% per annum. The proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 10 May 2024 and 14 May 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

- (4) On 5 June 2024, the Company issued the fourth tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 267 days and bearing interest rate of 1.85% per annum. The proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 4 June 2024 and 7 June 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

### **4. Issuance of medium-term notes**

- (1) On 15 May 2024, the Company issued the first tranche of medium-term notes (Sci-Tech innovation notes) for the year of 2024 with a par value of RMB1.0 billion for a term of 3 years and bearing interest rate of 2.30% per annum. The amount received by the Company for this issuance is RMB1.0 billion, and the proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 13 May 2024 and 17 May 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

- (2) On 14 June 2024, the Company issued the second tranche of medium-term notes (Sci-Tech innovation notes) for the year of 2024 with a par value of RMB1.0 billion for a term of 3 years and bearing interest rate of 2.26% per annum. The amount received by the Company for this issuance is RMB1.0 billion, and the proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 12 June 2024 and 18 June 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## **5. Entering into the Cyanide Tailings Purchase Framework Agreement**

On 22 March 2024, Zhaoyuen Zhaojin Jinhe Technology Co., Ltd.\* (招遠市招金金合科技有限公司) (“Zhaojin Jinhe”) entered into the cyanide tailings purchase framework agreement (“Cyanide Tailings Purchase Framework Agreement”) with Shandong Guoda Gold Co., Ltd.\* (山東國大黃金股份有限公司) (“Guoda Gold”), pursuant to which Zhaojin Jinhe and its subsidiaries will purchase cyanide tailings from Guoda Gold and its subsidiaries for a term from 22 March 2024 to 31 December 2026. Zhaojin Jinhe and its subsidiaries expects that the annual caps for the purchase of cyanide tailings from the Guoda Gold and its subsidiaries under the Cyanide Tailings Purchase Framework Agreement for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 will not exceed RMB195 million, RMB215 million and RMB254 million, respectively.

Zhaojin Jinhe is a subsidiary of the Company, and while Shandong Zhaojin Group Company Limited\* (山東招金集團有限公司) (“Zhaojin Group”) is the controlling Shareholder of the Company. Guoda Gold is a subsidiary of Zhaojin Group and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Cyanide Tailings Purchase Framework Agreement shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 22 March 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## **6. Convening the 2024 first extraordinary general meeting**

The Company held the 2024 first extraordinary general meeting on 31 January 2024, at which the following proposals, among other things, were reviewed and passed:

- (1) the financial services to be provided pursuant to the financial services agreement entered into between the Company and Shandong Zhaojin Finance Company Limited\* (山東招金集團財務有限公司) (“Finance Company”) on 29 December 2023 and the relevant proposed annual caps;
- (2) the financial services to be provided pursuant to the financial services agreement entered into between Zhaojin Group and Finance Company on 29 December 2023 and the relevant proposed annual caps ;
- (3) registration and issuance of renewable corporate bonds of not more than RMB2.0 billion in the PRC;
- (4) registration and issuance of medium-term notes of not more than RMB6.0 billion in the PRC; and
- (5) amendments to the rules of procedures for general meetings of the Company.

Relevant details were set out in the circular and notice of the Company both dated 15 January 2024 and the voting results announcement dated 31 January 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## **7. Placing of new H shares under general mandate**

On 14 April 2024, the Company entered into the placing agreement (the “Placing Agreement”) with the placing agents (of which UBS AG Hong Kong Branch and Huatai Financial Holdings (Hong Kong) Limited serve as the overall coordinators), pursuant to which the Company has agreed to issue a total of up to 132,000,000 new H shares of RMB1.00 each (the “Placing Shares”) under general mandate, and the joint placing agents have agreed, on a several basis, as the placing agents of the Company, to procure in an aggregate of not less than six placees, who and whose ultimate beneficial owners are third parties independent of, and not connected with, the Company and the connected persons of the Company, to subscribe the Placing Shares at the price of HK\$13.20 per Placing Share on the terms and subject to the conditions of the Placing Agreement (the “Placing”).

Completion of the Placing took place on 22 April 2024. The aggregate gross proceeds from the Placing is approximately HK\$1,742.4 million and the aggregate net proceeds from the Placing, after deducting the placing commission and other related expenses, is approximately HK\$1,725.3 million. The net proceeds from the Placing will be used for replenishing the Company’s working capital and repaying bank loans.

The Board considers that it is in the interests of the Company to raise equity funding through the Placing so as to strengthen the capital base, reduce the gearing ratio and enhance the financial position and net assets base of the Group for its long-term development and growth. The Placing will also diversify the Company's shareholder base by attracting a number of high-quality investors to participate in the Placing and will expand the Company's equity capital and lay a foundation for debt financing in the future.

Relevant details were set out in the announcements of the Company dated 14 April 2024 and 22 April 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## **8. Completion of takeover bid for the entire share capital of Tietto**

On 30 October 2023, Zhaojin Capital (Hong Kong) Limited ("Zhaojin Capital"), an indirect wholly-owned subsidiary of the Company, has lodged its bidder's statement, pursuant to which it shall make a conditional offer to acquire all of the fully paid ordinary share(s) in the share capital of Tietto (the "Target Shares") (including Target Shares that are issued during the offer period whether due to the conversion of options, performance rights or otherwise of Tietto, pursuant to the bidder's statement), not currently held by the Company, at an offer price of AUD0.58 per Target Share.

On 15 April 2024, Zhaojin Capital issued the second supplementary bidder's statement in relation to the conditional offer, which disclosed that Zhaojin Capital (i) has freed the relevant conditions to the conditional offer in relation to certain regulatory approvals; and (ii) will increase the offer price from AUD0.58 to AUD0.68 per Target Share (the "New Offer Price"). The New Offer Price of AUD0.68 per Target Share is the best and final and will not be further increased. The total consideration under the proposed acquisition is up to approximately AUD733 million (equivalent to approximately HK\$3,718 million).

At the close of the offer on 14 May 2024, the voting power of Zhaojin Capital in Tietto was 90.72%. Accordingly, on 24 May 2024, Zhaojin Capital proceeded to commence the compulsory acquisition on the remaining Target Shares which have not been accepted into the offer. Tietto was removed from the official list of Australian Securities Exchange on 6 June 2024. Zhaojin Capital has completed the compulsory acquisition of the remaining Target Shares in accordance with the Corporations Act 2001 (Cth) of Australia.

As one or more of the applicable percentage ratios in respect of the above acquisition exceed 5% but are all less than 25%, the above acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Relevant details were set out in the announcements of the Company dated 30 October 2023, 3 November 2023, 13 November 2023, 27 November 2023, 6 December 2023, 18 December 2023, 4 January 2024, 1 February 2024, 29 February 2024, 28 March 2024, 15 April 2024, 24 April 2024, 1 May 2024, 14 May 2024, 24 May 2024, 6 June 2024 and 2 July 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## **VII. EVENTS AFTER THE PERIOD**

### **1. Issuance of super short-term bonds**

On 11 July 2024, the Company issued the fifth tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 90 days and bearing interest rate of 1.72% per annum. The proceeds are to repay interest-bearing loans of the Company.

Relevant details were set out in the announcements of the Company dated 10 July 2024 and 12 July 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

### **2. Entering into the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control**

On 23 August 2024, Laizhou Ruihai Mining Co., Ltd.\* (萊州市瑞海礦業有限公司) (“Ruihai Mining”) and Shandong Zhaojin Geological Exploration Co., Ltd.\* (山東招金地質勘查有限公司) (“Zhaojin Geological Exploration”), a wholly-owned subsidiary of the Company, entered into the framework agreement on technical services for underground hydrogeology and water control (the “Framework Agreement on Technical Services for Underground Hydrogeology and Water Control”). Pursuant to such agreement, Zhaojin Geological Exploration has agreed to provide underground hydrogeology and water control technical services to Ruihai Mining from 1 January 2024 to 31 December 2026. Zhaojin Geological Exploration and/or its subsidiaries expect that the annual caps for the provision of underground hydrogeology and water control technical services to Ruihai Mining in accordance with the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control will not exceed RMB26.0 million, RMB40.0 million and RMB40.0 million for the years ending 31 December 2024, 2025 and 2026, respectively.

As Zhaojin Geological Exploration is a wholly-owned subsidiary of the Company. In addition, Ruihai Mining is wholly owned by Shandong Ruiyin Mining Industry Company Limited\* (山東瑞銀礦業發展有限公司), another non wholly-owned subsidiary of the Company, which is owned by the Company as to 70% and owned by Zijin Mining Group Co., Ltd.\* (紫金礦業集團股份有限公司) (“Zijin Mining”) (through Zijin Mining Group Southern Investment Co., Ltd.\* (紫金礦業集團南方投資有限公司)) as to 30%; and Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, Ruihai Mining is a connected subsidiary of the Company and a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the annual caps of the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control is more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement on Technical Services for Underground Hydrogeology and Water Control shall be subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcement of the Company dated 23 August 2024 published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.zhaojin.com.cn](http://www.zhaojin.com.cn).

## VIII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with all the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Listing Rules during the period from 1 January 2024 to 30 June 2024. No Director is aware of any information that reasonably reveals that there is any non-compliance with the code provisions in the Code by the Company during any time of the Period.

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the Directors’ and supervisors’ securities dealings.

After making specific enquiries with the Directors and supervisors, all Directors and supervisors of the Company have fully complied with the standards required according to the Model Code during the Period.

## X. AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms. Chen Jinrong, Mr. Wei Junhao and Mr. Choy Sze Chung Jojo, and its chairman is Ms. Chen Jinrong.

The Audit Committee has adopted a written terms of reference which is in compliance with the Code. It is mainly responsible for matters concerning the internal control and financial reporting, reviewing with the management of the accounting principles, accounting standards and methods adopted by the Company. The Audit Committee has discussed risk management and internal control affairs and reviewed the Company’s unaudited interim report and the unaudited interim results announcement for the six months ended 30 June 2024, and the Audit Committee is of the view that the unaudited interim report and the unaudited interim results announcement for the six months ended 30 June 2024 have been prepared in accordance with applicable accounting standards, rules and regulations, and appropriate disclosures have been duly made.

By order of the Board  
**Zhaojin Mining Industry Company Limited\***  
**Jiang Guipeng**  
*Chairman*

Zhaoyuan, the PRC, 23 August 2024

*As at the date of this announcement, the Board comprises Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang and Mr. Chen Lunan as executive Directors; Mr. Long Yi, Mr. Li Guanghui and Mr. Luan Wenjing as non-executive Directors; and Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu as independent non-executive Directors.*

\* For identification purpose only