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Laopu Gold Co., Ltd.
老鋪黃金股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6181)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2024

INTERIM RESULTS HIGHLIGHTS

The Group's revenue increased by approximately 148.3% from approximately RMB1,417.51 million for the six months ended June 30, 2023 to approximately RMB3,520.19 million for the six months ended June 30, 2024.

The Group's gross profit increased by approximately 146.4% from approximately RMB590.50 million for the six months ended June 30, 2023 to approximately RMB1,454.98 million for the six months ended June 30, 2024.

The Group's net profit increased by approximately 198.8% from approximately RMB196.75 million for the six months ended June 30, 2023 to approximately RMB587.81 million for the six months ended June 30, 2024.

The Board is pleased to announce the unaudited interim results of the Company and its subsidiaries, together with unaudited comparative figures for the six months ended June 30, 2023. The contents of this interim results announcement have been prepared in accordance with applicable disclosure requirements under the Listing Rules in relation to preliminary announcements of interim results and the International Financial Reporting Standards issued by the International Accounting Standards Board. The Board and the Audit Committee have also reviewed and confirmed the interim results. Unless otherwise specified, the Company's financial data is presented in Renminbi.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024

	<i>Notes</i>	Six months ended June 30, 2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
REVENUE	4	3,520,185	1,417,512
Cost of sales		<u>(2,065,203)</u>	<u>(827,012)</u>
Gross profit		1,454,982	590,500
Other income and gains	4	1,847	1,396
Selling and distribution expenses		(532,153)	(249,895)
Administrative expenses		(124,628)	(67,908)
Research and development expenses		(6,555)	(4,667)
Other expenses, net		(2,383)	(1,406)
Finance costs	5	<u>(10,714)</u>	<u>(8,441)</u>
PROFIT BEFORE TAX	6	780,396	259,579
Income tax expense	7	<u>(192,584)</u>	<u>(62,825)</u>
PROFIT FOR THE PERIOD		<u>587,812</u>	<u>196,754</u>
Attributable to:			
Owners of the Company		<u>587,812</u>	<u>196,754</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB)	9	<u>4.11</u>	<u>1.44</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>1,245</u>	<u>2,614</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>1,245</u>	<u>2,614</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>589,057</u>	<u>199,368</u>
Attributable to:			
Owners of the Company		<u>589,057</u>	<u>199,368</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2024

	<i>Notes</i>	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		104,074	57,549
Right-of-use assets		265,776	252,219
Other intangible assets		2,774	2,877
Deferred tax assets		11,576	12,538
Prepayments, deposits and other assets		<u>50,409</u>	<u>57,528</u>
Total non-current assets		<u>434,609</u>	<u>382,711</u>
CURRENT ASSETS			
Inventories	<i>10</i>	2,108,428	1,267,932
Trade receivables	<i>11</i>	369,912	376,325
Prepayments, deposits and other assets		103,871	61,741
Cash and cash equivalents		<u>823,901</u>	<u>69,838</u>
Total current assets		<u>3,406,112</u>	<u>1,775,836</u>
CURRENT LIABILITIES			
Trade payables	<i>12</i>	226,219	57,662
Other payables and accruals		222,900	140,090
Interest-bearing bank borrowings	<i>13</i>	126,866	127,754
Contract liabilities		45,243	27,766
Lease liabilities		121,477	101,394
Tax payable		<u>35,826</u>	<u>19,478</u>
Total current liabilities		<u>778,531</u>	<u>474,144</u>
NET CURRENT ASSETS		<u>2,627,581</u>	<u>1,301,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,062,190</u></u>	<u><u>1,684,403</u></u>
NON-CURRENT LIABILITIES			
Deferred income		1,035	1,150
Other payables and accruals		2,887	2,418
Lease liabilities		<u>161,032</u>	<u>165,419</u>
Total non-current liabilities		<u>164,954</u>	<u>168,987</u>
NET ASSETS		<u><u>2,897,236</u></u>	<u><u>1,515,416</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>14</i>	165,011	142,643
Reserves		<u>2,732,225</u>	<u>1,372,773</u>
Total equity		<u><u>2,897,236</u></u>	<u><u>1,515,416</u></u>

1. CORPORATE AND GROUP INFORMATION

Laopu Gold Co., Ltd. (the “**Company**”) is a company limited by shares established in the People’s Republic of China (“**PRC**”). The address of the registered office of the Company is located at Rooms 3-6, 6/F, No. 3 West Building, The Towers at Oriental Plaza, No. 1 Dong Chang’an Avenue, Dongcheng District, Beijing, PRC. Its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since June 28, 2024.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) were manufacture and sale of jewellery, provision of maintenance and repair services.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2024 has been prepared in accordance with International Accounting Standards (“**IAS**”) 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 consolidated financial statements for each of the years ended December 31, 2021, 2022 and 2023 as set out in the accountants’ report (the “**Accountants’ Report**”) included in the prospectus of the Company dated on June 20, 2024 (the “**Prospectus**”).

The unaudited interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Accountants’ Report, except for the adoption of the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

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

The adoption of the above revised IFRSs has no significant financial effect on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their service and products and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

Major operating entities are domiciled in the PRC. Most of the revenues of the Group from external customers are generated in the PRC. Besides, most of the assets of the Group are located in the PRC. Thus, no geographic information is presented.

Information about major customers

No revenue from sales to a single external customer or a group of external customers under common control accounted for 10% or more of the Group's revenue during the six months ended June 30, 2024 and 2023.

4. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of the Group's revenue is as follows:

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Types of goods or services		
Sales of goods	3,519,833	1,417,369
Maintenance and repair services	352	143
Total revenue from contracts with customers	<u>3,520,185</u>	<u>1,417,512</u>
Geographical markets		
Chinese Mainland	3,232,628	1,357,081
Hong Kong and Macau	287,557	60,431
Total revenue from contracts with customers	<u>3,520,185</u>	<u>1,417,512</u>
Timing of revenue recognition		
Goods transferred at a point in time	3,519,833	1,417,369
Service transferred at a point in time	352	143
Total	<u>3,520,185</u>	<u>1,417,512</u>
Types of goods or services		
Pure gold jewelry	1,372,085	652,911
Gem-set jewelry	2,146,735	760,889
Others	1,365	3,712
Total	<u>3,520,185</u>	<u>1,417,512</u>

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the goods and payment is mainly on cash and credit card settlement under self-operated model. With respect to the collection by shopping malls of retail payment from customer would be made to the Company within 30 or 60 days.

Maintenance and repair services

The performance obligation is satisfied as services are rendered and payment is received upon the completion of services.

As the original expected duration of the contracts from customers of the Group are within one year or less, the Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation.

Other income and gains

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Interest income	596	278
Government grants*	183	480
Others	328	254
	<hr/>	<hr/>
Subtotal	1,107	1,012
	<hr/>	<hr/>
Gains		
Foreign exchange differences	555	215
Gain on disposal of items of property, plant and equipment and other assets	–	4
Others	185	165
	<hr/>	<hr/>
Subtotal	740	384
	<hr/>	<hr/>
Total	1,847	1,396
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* Government grants have been received from local government authorities as subsidies to the Group, which mainly represent the rental subsidies related to the operating activities. Except for the lease term, there were no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

	Six months ended June 30,	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest on bank borrowings	3,510	3,679
Interest on lease liabilities	7,107	4,709
Others	97	53
	<hr/>	<hr/>
Total	10,714	8,441

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Note	Six months ended June 30,	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cost of inventories sold*		2,065,203	827,012
Depreciation of property, plant and equipment**		17,272	11,555
Depreciation of right-of-use assets**		63,214	40,015
Amortisation of intangible assets and other assets		3,015	1,178
Lease payments not included in the measurement of lease liabilities		192,944	86,236
Gain on disposals of property, plant and equipment and other assets***		–	(4)
Loss on disposals of property, plant and equipment and other assets***		1,513	328
Expenses related to previous A-share listing attempt****		–	7,713
Listing expenses****		17,662	–
Equity-settled share-based payments		14,016	2,313
Employee benefit expenses (excluding directors' and supervisors' remunerations):			
Wages and salaries		202,004	117,682
Pension scheme contributions (defined contribution schemes)		11,437	8,463
Net impairment loss of trade receivables***	11	478	994
Net impairment loss of prepayments, deposits and other assets***		248	47

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value.

** The depreciation of property, plant and equipment and right-of-use assets is included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses" and "Research and development expenses" in profit or loss, respectively.

*** The amounts are included in "Other income and gains" and "Other expense" in profit or loss.

**** The amounts are included in "Administrative expenses" in profit or loss.

7. 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.

PRC Corporate Income Tax

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “**CIT Law**”), the Company and subsidiaries which operate in Chinese Mainland were subject to CIT Law at a rate of 25% on the taxable profit during the Reporting Period.

Hong Kong Profits Tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, while the subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% during the Reporting Period.

Macau Complementary Tax

Macau complementary tax was calculated at the excess progressive rate of 3% to 12% on the estimated assessable profit during the Reporting Period.

The income tax expenses for the Reporting Period are as follows:

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current	191,622	66,204
Deferred	962	(3,379)
Total	<u>192,584</u>	<u>62,825</u>

8. DIVIDENDS

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

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the Reporting Period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 143,011,218 (six months ended June 30, 2023: 136,500,000) in issue during the Reporting Period.

No adjustment has been made to the basic earnings per share amounts presented for the Reporting Period for a dilution as the Group had no potentially dilutive ordinary shares in issue during the Reporting Period.

The calculation of basic and diluted earnings per share is based on:

	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company:	587,812	196,754
	=====	=====
	Number of shares	
	Six months ended June 30,	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	143,011,218	136,500,000
	=====	=====

10. INVENTORIES

	June 30,	December 31,
	2024	2023
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Finished goods	1,073,206	791,294
Raw materials	543,836	292,001
Work in progress	487,205	182,236
Goods in transit	4,181	2,401
	=====	=====
Total	2,108,428	1,267,932
	=====	=====

As at June 30, 2024, the Company does not have pledged inventory (pledged inventories on December 31, 2023: RMB30,000,000). For further details, please refer to note 13 to the financial statements.

Write-downs of inventories to net realisable value amounted to RMB1,433,000 for six months ended June 30, 2024 (six months ended June 30, 2023: RMB720,000). These were included in "Profit before tax" in the consolidated statement of profit and loss during the Reporting Period.

11. TRADE RECEIVABLES

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Trade receivables	375,147	381,082
Impairment	<u>(5,235)</u>	<u>(4,757)</u>
Total	<u>369,912</u>	<u>376,325</u>

The Group's trade receivables usually generate from sales through boutiques and online platform which help collect sales proceeds. The Group usually grants a credit period of within 30 or 60 days to the relevant shopping malls and online platform. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

The fair values of trade receivables at the end of the Reporting Period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

An ageing analysis of the trade receivables at the end of Reporting Period, based on the date of revenue recognition and net of loss allowance for impairment, is as follows:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Within 1 month	210,509	329,797
1 to 2 months	97,204	22,821
2 to 3 months	46,758	23,702
Over 3 months	<u>15,441</u>	<u>5</u>
Total	<u>369,912</u>	<u>376,325</u>

The movements in the loss allowance for impairment/reversal of impairment of trade receivables are as follows:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
At beginning of the year/period	4,757	1,221
Impairment loss, net (note 6)	478	3,536
Exchange realignment	<u>—*</u>	<u>—*</u>
At end of the year/period	<u>5,235</u>	<u>4,757</u>

* The amount of exchange realignment is less than 1 thousand.

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the Reporting Period, based on the invoice date, is as follows:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Within 1 month	122,534	29,829
1 to 2 months	99,474	27,621
2 to 3 months	2,627	119
Over 3 months	1,584	93
	<hr/>	<hr/>
Total	226,219	57,662

Trade payables to third parties of the Company are non-interest-bearing. The trade payables to third parties are normally settled on credit terms of one to three months after the invoice date.

The fair values of trade payables as at the end of the Reporting Period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

13. INTEREST-BEARING BANK BORROWINGS

	At June 30, 2024 (Unaudited)			At December 31, 2023 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans – secured	–	–	–	2.24-3.98	2024	127,754
Bank loans – unsecured	1.90-3.70	2025	126,866	–	–	–
			<hr/>			<hr/>
Total			126,866			127,754

Notes:

- (i) All interest-bearing bank borrowings are denominated in RMB.
- (ii) The following assets were pledged as securities for interest-bearing bank borrowings:

	June 30, 2024 (Unaudited) RMB'000	December 31, 2023 (Audited) RMB'000
Inventories	–	30,000
	<hr/>	<hr/>

- (iii) The Group's total facilities for bank borrowings amounted to RMB146,866,000 (year ended December 31, 2023: RMB127,754,000) of which RMB126,866,000 had been utilised as at June 30, 2024 (year ended December 31, 2023: RMB127,754,000).

14. SHARE CAPITAL

	June 30, 2024 (Unaudited) RMB	December 31, 2023 (Audited) RMB
Authorised and fully paid:		
Ordinary shares with par value of RMB1.00 each	<u>165,011,400</u>	<u>142,642,500</u>

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

	Number of shares in issue	Share capital RMB
At January 1, 2023	136,500,000	136,500,000
Issuance of ordinary shares (<i>Note a</i>)	<u>6,142,500</u>	<u>6,142,500</u>
At December 31, 2023 and January 1, 2024	142,642,500	142,642,500
Issuance of ordinary shares (<i>Note b</i>)	<u>22,368,900</u>	<u>22,368,900</u>
At June 30, 2024 (unaudited)	<u>165,011,400</u>	<u>165,011,400</u>

Notes:

- a) In connection with the pre-IPO, 6,142,500 ordinary shares of a par value of RMB1.00 each were issued at a price of approximately RMB36.63 per share at a total cash consideration, before deducting the share issue expense, of RMB225,000,000.
- b) In connection with the IPO, 22,368,900 ordinary shares of a par value of RMB1.00 each were issued at a price of HK\$40.50 per share at a total cash consideration, before deducting the underwriting fees and commissions and other estimated listing expenses, of approximately HK\$905,940,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are the top heritage gold (古法黃金) jewelry brand in China as recognized by the China Gold Association. Among the key brands in China's gold jewelry market, we are the only brand that focuses on the design, manufacture and sale of heritage gold jewelry, according to Frost & Sullivan. We believe that our brand positioning, product theme and style, sales network, and scenario-based boutique style contributed to our success.

For the Reporting Period, the Group's revenue was approximately RMB3,520.19 million, representing an increase of approximately RMB2,102.68 million or approximately 148.3% as compared with the revenue of approximately RMB1,417.51 million for the corresponding period of 2023. For the Reporting Period, the Group's gross profit was approximately RMB1,454.98 million, representing an increase of approximately RMB864.48 million or approximately 146.4% as compared with the gross profit of approximately RMB590.50 million for the corresponding period of 2023. The above increases were mainly attributable to the following factors:

1. The expansion of brand influence of the Group which led to an overall increased boutiques revenue inventory, including both online and offline channels

With over a decade of dedicated work in the field of Chinese heritage gold artifact craftsmanship, we have built significant brand advantage and brand influence by leveraging our first-mover advantage:

- We were the drafting unit to draft the group standards for “Heritage Gold Artifact” (《古法金飾品》團體標準) and “Heritage Gold Artifact Inlaid with Diamonds” (《古法金鑲嵌鑽石飾品》團體標準) as published by the China Gold Association;
- Based on expert interviews and researches for public information conducted by Frost & Sullivan, we were the first brand in the industry to introduce diamond-inlaid pure gold jewelry, setting trends for the industry;
- According to Frost & Sullivan, as of June 30, 2024, we ranked first among all gold jewelry brands in terms of coverage rate of the top ten high-end shopping malls in the PRC;
- According to Frost & Sullivan, we ranked first in the industry in terms of average single-store revenue in Chinese Mainland in the first half of 2024;
- We were one of the only two Chinese gold jewelry brands listed in the “2023 Hurun Supreme Brands — China's High Net-Worth Individuals' Brand Preferences Report” (《2023 胡潤至尚優品 — 中國高淨值人群品牌傾向報告》) and the “2024 Hurun Supreme Brands — China's High Net-Worth Individuals' Brand Preferences Report” (《2024 胡潤至尚優品 — 中國高淨值人群品牌傾向報告》); and
- The expansion of brand influence has led to continuous growth of same-store revenue. Same-store revenue growth rate for the six months ended June 30, 2024 was approximately 104.2%.

2. The continuing optimization, promotion and iteration of the Group's products which facilitated the sustained revenue growth

Through years of dedication and commitment, we have promoted many developments and advancements in China's gold jewelry industry. Our brand was founded in 2009, according to Frost & Sullivan, we were the first gold jewelry brand in China to promote the concept of heritage gold, the first to introduce diamond-inlaid pure gold jewelry, and the first to apply heat treatment of enamels (燒藍) to pure gold products. Over the years, we have cultivated a dedicated creation team with an innovative team culture, which empowers us to continue to conduct independent and innovative research and development, underpinned by our cultural values and operational mechanisms, thus promoting continuous growth of revenue.

We prioritize originality and emphasize product research, development, innovation and quality control. We continually launch new featured products to stay competitive in the market. As of June 30, 2024, we created over 1,800 original product designs and had 243 domestic patents, 1,207 work copyrights and 164 overseas patents. Our commitment to independent research and development supports continuous iterations, upgrades and optimizations of our products, which enables us to consistently introduce featured products.

3. Customers' preference for high-quality heritage gold products with significant cultural and product value resulting from the changes in consumer consumption attitudes and upgrading of consumption concepts

According to Frost & Sullivan, heritage gold has heralded a new product era in China's gold jewelry industry. In recent years, the gold jewelry market has witnessed new opportunities for development. Driven by the rapid increase in consumer demand for high-quality products, heritage gold products have emerged as one of the most promising and fastest-growing categories in the gold jewelry market.

With our first-mover advantages in the heritage gold jewelry industry, dedication in product design and manufacture, continuing innovation in product research and development, and quality customer service offerings, we believe we are well-positioned to capture the huge growth of China's heritage gold jewelry market.

We are the Chinese top heritage gold jewelry brand accredited by the China Gold Association, epitomizing Chinese classical culture and intangible cultural heritage craftsmanship such as "filigree inlay" (花絲鑲嵌), "enamels" (琺瑯) and "gold and silver inlay" (金銀錯) through our comprehensive product portfolio. We focus on creating high quality products that harmonize cultural and fashionable attributes, including daily wear accessories, as well as traditional Chinese handicrafts and stationaries, daily use and decorative ornaments and vessels, to cater to the diverse needs and different ages of consumers. As of June 30, 2024, the number of our loyalty members reached approximately 275,000, and the consumer base is constantly expanding.

4. As compared to the corresponding period of 2023, the Company had six new boutiques and expanded one boutique which resulted in an increased revenue contribution

With our high-quality brand identity, as well as the track records of our existing boutiques, we have gained a strong channel expansion capability, enabling us to systematically open new boutiques at coveted positions in reputable commercial centers with stringent entry requirements. As of June 30, 2024, we self-operated a total of 33 boutiques in 14 cities, all of which were located in reputable commercial centers with stringent entry requirements, including four in SKP and ten in MixC (萬象城).

As compared to the corresponding period of 2023, the Company had six new boutiques and expanded one boutique (Shenyang MixC B1 Boutique) which resulted in an increased revenue contribution.

The new boutiques are listed below:

- New boutiques opened in the second half of 2023: Guangzhou TaiKoo Hui Boutique (廣州太古匯店), Nanjing Deji Plaza Phase I Boutique (南京德基廣場一期店) and Hangzhou MixC L2 Boutique (杭州萬象城 L2 層店)
- New boutiques opened in the first half of 2024: Beijing China World Mall Boutique (北京國貿商城店), Hong Kong Flagship Store (香港旗艦店) and Tianjin MixC Boutique (天津萬象城店)

On March 31, 2024, Laopu Gold celebrated the grand opening of its flagship store in Hong Kong located at Canton Road in Tsim Sha Tsui. This three-storey streetside boutique located opposite Harbour City, with a gross floor area of over 1,000 square meters, is currently our largest single store, and it is also an important step in our pursuit of the “big store” business model and gradual internationalization process.

OUTLOOK AND PROSPECT

In the future, we will always adhere to our high-end brand positioning and constantly expand the market awareness of our brand. With our continuous innovation in product research and development and craftsmanship, we will continue to promote product upgrades and iterations. Adhering to the market strategy of “dedicated to brand internationalization and global market presence”, we will actively expand in terms of market areas and market space, and build our brand into a globally competitive Chinese high-end gold jewelry brand.

Our growing brand influence, products that excite the market and past performance makes us confident in our future growth prospects. We will always adhere to the corporate values we have always upheld, and pursue the brand vision of “brand internationalization and global market presence”. We are determined to showcase traditional Chinese handcrafted gold jewelry, as a symbol of classic Chinese culture, on the world stage, and usher in a new era for the industry.

FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information set out elsewhere in this interim announcement and the notes thereto.

Revenue

Operating Revenue by Sales Channels

Our boutiques are themed around classical Chinese study room scenes to largely enhance customer shopping experience. Our premium boutique locations naturally attract high net-worth consumers that perfectly match with our brand positioning, and the premium environments of our boutiques serve as a testament to our brand identity. In addition, we also reach consumers nationwide through online channels, including our flagship stores on Tmall and JD.com, which are independent third-party e-commerce platforms, as well as our WeChat Mini Program that we developed to optimize our customer experience and increase our online sales.

We have adopted an integrated offline and online jewelry retail structure that combines both offline boutiques and online sales channels to provide customers with a seamless and consistent shopping experience. The following table sets forth a breakdown of our revenue by sales channels for the periods indicated:

	2024		2023		Period-on-period Changes	
	<i>RMB'000</i> (Unaudited)	%	<i>RMB'000</i> (Unaudited)	%	<i>RMB'000</i>	%
Boutiques	3,128,721	88.9	1,253,641	88.4	1,875,080	149.6
Online platforms	391,464	11.1	163,871	11.6	227,593	138.9
Total	<u>3,520,185</u>	<u>100.0</u>	<u>1,417,512</u>	<u>100.0</u>	<u>2,102,673</u>	<u>148.3</u>

The sale of our products is still mainly through boutique channels. Online platforms are a powerful complement to enhance customers' shopping experience, revenue generated from online platforms which accounted for approximately 11.1% of total revenue during the Reporting Period, which remained stable.

Revenue by Product Type

The Company generated almost all of its revenue from sales of products and a tiny portion of our revenue was generated from the provision of after-sale services. We design, manufacture and sell pure gold jewelry products which combines ancient wisdom and modern fashions. Our gold jewelry products primarily comprise pure gold jewelry and gem-set jewelry (with diamonds or other gemstones inlaid in pure gold). Gem-set jewelry products are widely loved by consumers, and their revenue contribution further increased during the Reporting Period as compared to the corresponding period of 2023. The following table sets forth a breakdown of our revenue by product type for the periods indicated:

For the six months ended June 30,

	2024		2023		Period-on-period Changes	
	<i>RMB'000</i> (Unaudited)	%	<i>RMB'000</i> (Unaudited)	%	<i>RMB'000</i>	%
Pure gold jewelry	1,372,085	39.0	652,911	46.0	719,174	110.1
Gem-set jewelry	2,146,735	61.0	760,889	53.7	1,385,846	182.1
Others	1,365	0.0	3,712	0.3	-2,347	-63.2
Total	<u>3,520,185</u>	<u>100.0</u>	<u>1,417,512</u>	<u>100.0</u>	<u>2,102,673</u>	<u>148.3</u>

Our product mix include daily wear accessories, as well as traditional Chinese handcrafts and stationeries, daily use and decorative ornaments and vessels to cater to consumers from different age groups and with diverse needs. These products exhibit a higher level of craftsmanship complexity, deeply integrating and reflecting cultural elements and aesthetic appeal, further reinforcing our brand's unique positioning and greatly satisfying consumers' various needs.

Profitability

With our first-mover advantages in the heritage gold jewelry industry, dedication in product design and manufacture, continuing innovation in product research and development, and quality customer service offerings, we believe we are well-positioned to capture the huge growth of China's heritage gold jewelry market.

During the Reporting Period, the Group's gross profit margin was basically stable at approximately 41.3%. The gross profit was approximately RMB1,454.98 million, representing an increase of approximately RMB864.48 million or approximately 146.4% as compared to the gross profit for the six months ended June 30, 2023. The net profit of the Group increased by approximately 198.8% from approximately RMB196.75 million for the six months ended June 30, 2023 to approximately RMB587.81 million for the six months ended June 30, 2024.

The increases in revenue and gross profit during the Reporting Period were mainly due to (i) the expansion of brand awareness of the Group which led to an overall increased revenue for existing boutiques, including both online and offline channels; (ii) the continuing optimization, promotion and iteration of the Group's products which facilitated the sustained revenue growth; (iii) customers' preference for high-quality heritage gold products with significant cultural and product value resulting from the changes in consumer consumption attitudes and upgrading of consumption concepts; and (iv) as compared to the corresponding period of 2023, the Company had six new boutiques and expanded one boutique which resulted in an increased revenue contribution. For details, please refer to the paragraph headed "Business Review" in this interim results announcement.

Selling and Administrative Expenses and Other Expenses

Selling and Distribution Expenses

During the Reporting Period, the selling and distribution expenses of the Group were approximately RMB532.15 million, representing an increase of approximately RMB282.26 million or approximately 113.0% as compared with the corresponding period of 2023, mainly due to (i) an increase in shopping mall and platform commission fees and rental expenses, which was in line with the increase in revenue from boutiques and online sales and the increase in depreciation and amortization, and also related to the expansion of our boutique channels; (ii) an increase in staff costs as a result of the expansion of our sales team and the increase in their remuneration, which was in line with our business growth; and (iii) an increase in advertising and promotion expenses as a result of placing more advertisements in shopping malls and on new media in the first half of 2024.

Administrative Expenses

During the Reporting Period, the administrative expenses of the Group were approximately RMB124.63 million, representing an increase of approximately RMB56.72 million or approximately 83.5% as compared with the corresponding period of 2023, mainly due to (i) an increase in staff costs as a result of the increased number of our administrative staff and an increase in their remuneration, which was in line with our business growth; (ii) an increase in professional service fees primarily for legal and accounting professional services incurred as a result of the Listing; (iii) an increase in bank charges relating to bank card settlements with customers due to the rising sales revenue; and (iv) an increase in other expenses which mainly included travel expenses, information technology costs, other taxes, transportation and miscellaneous charges, renovation expenses and others.

Research and Development Expenses

During the Reporting Period, the research and development expenses of the Group were approximately RMB6.56 million, representing an increase of approximately RMB1.89 million or approximately 40.5% as compared with the corresponding period of 2023, mainly due to an increase in staff costs as a result of the increased number of our research and development staff and an increase in their remuneration, which was in line with our business growth.

Other Expenses, Net

During the Reporting Period, the other expenses, net of the Group were approximately RMB2.38 million, representing an increase of approximately RMB0.98 million or approximately 69.5% as compared with the corresponding period of 2023, mainly due to an increase in impairment.

The following table sets forth a breakdown of our expenses for the periods indicated:

	For the six months ended June 30,			
	2024	2023	Period-on-period	
	RMB'000	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)		
Selling and distribution expenses	532,153	249,895	282,258	113.0
Administrative expenses	124,628	67,908	56,720	83.5
Research and development expenses	6,555	4,667	1,888	40.5
Other expenses, net	2,383	1,406	977	69.5
Total	<u>665,719</u>	<u>323,876</u>	<u>341,843</u>	<u>105.5</u>

By Expense Category

During the Reporting Period, the various expenses of the Group accounted for approximately 18.9% of its operating revenue, representing a decrease of approximately 3.9% from approximately 22.8% for the corresponding period in 2023. It was mainly because the increase in sales revenue was higher than the increase in expenses during the Reporting Period.

The following table sets forth a breakdown of expense categories as a percentage of operating revenue for the periods indicated:

	For the six months ended June 30,		
	2024	2023	Period-on- period Change
	<i>As a percentage of operating revenue</i>	<i>As a percentage of operating revenue</i>	<i>%</i>
Staff costs	5.3%	8.1%	-2.8
Shopping mall, platform commission fees and rental expenses	8.3%	7.6%	0.7
Depreciation and amortization expenses	2.1%	3.6%	-1.5
Advertising and promotion expenses	0.4%	0.8%	-0.4
Share-based payments	0.4%	0.2%	0.2
Professional service fees	0.7%	0.6%	0.1
Bank charges	0.5%	0.5%	0.0
Others	1.2%	1.4%	-0.2
Total percentage of operating revenue	18.9%	22.8%	-3.9

Income Tax Expense

We are subject to income tax on an entity basis on profits generated in or derived from the jurisdictions in which members of our Group reside and operate. During the Reporting Period, our income tax expense was approximately RMB192.58 million, while the income tax expense we incurred for the corresponding period in 2023 was approximately RMB62.83 million. For details of the calculation of income tax, please refer to “Note 7 Income tax expense” in the condensed consolidated financial statements on page 8 of this interim results announcement.

Cash and Cash Equivalents, Bank Deposits and Bank Loans and Liquidity

On June 30, 2024, the cash and bank balances of the Company were approximately RMB823.90 million, which were mainly due to proceeds raised from the Listing. As at June 30, 2024, the cash and bank balances of the Company are mainly denominated in Hong Kong dollars due to the proceeds raised from the Listing.

On June 30, 2024, the interest-bearing bank borrowings of the Company was approximately RMB126.87 million.

The cumulative operating cash inflow of the Company during the Reporting Period was approximately RMB66.64 million. The revenue and expenses of the Company are mainly denominated in RMB.

Current Assets, Financial Resources and Gearing Ratio

On June 30, 2024, the inventory balance of the Company was approximately RMB2,108.43 million, representing an increase of approximately 66.3% compared to December 31, 2023. The increase in inventory is in line with the performance growth of the Company and the demand for new store openings.

The funds required for the day-to-day business of the Company were mainly funded by the operating capital and short-term borrowings are also mainly used to meet the inventory stocking capital requirements of the peak season or the newly expanded store network. The Group did not have any difficulty in repaying the loans.

We remained focus on maintaining a reasonable gearing ratio. Gearing ratio is calculated by dividing total liabilities by total assets and multiplying by 100%. As at June 30, 2024, the gearing ratio of the Company was approximately 24.6% (as at December 31, 2023: 29.8%).

Significant Investment, Major Acquisitions and Disposal

As of June 30, 2024, the Company did not hold any significant investment. The Company had no material acquisition or disposal during the six months ended June 30, 2024.

Future Plans Regarding Significant Investment or Capital Assets

Except for the expansion of new offline boutiques and the establishment of new overseas companies, the Company did not have any specific plan for significant investment or capital assets.

Pledge of Assets

As at June 30, 2024, the Company had no assets pledged (as at December 31, 2023, inventories with a carrying amount of approximately RMB30 million were pledged for our bank loans).

Contingent Liabilities

As of June 30, 2024, the Company did not have any contingent liabilities.

Exchange Risk Management

Our management believes that the exchange risk of foreign currency is not significant as the majority of business transactions occur in Chinese Mainland and all domestic transactions are mainly denominated in Renminbi.

Capital Expenditure

During the Reporting Period, the capital expenditure of the Company was approximately RMB64.91 million, which was mainly for the opening of new stores and the upgrading, transformation and decoration of stores.

Human Resources, Employees and Remuneration Policies

We offer a comprehensive compensation and benefits package, including salaries, bonuses, maternity leave, and other allowances, on top of social insurance and housing provident fund contributions. For employees who work overtime, we will compensate them according to their base salary and overtime hours, and allow them to take paid leave within a reasonable period of time. We require all our department heads to reasonably allocate manpower in a way that can maximize work efficiency and avoid unnecessary overtime work so as to protect the legitimate interests of our employees. In addition, we also embrace diversity and inclusion, so all our employees enjoy equal opportunities in all respects, ranging from recruitment, training, welfare coverage, career and personal development during their time with us.

Besides, we will also continue to encourage a culture of work-life balance, in order to create a positive and comfortable work environment for our employees. Our policy is to treat all employees equally regardless of age and gender. We conduct internal assessment to ensure the fairness of employee compensation, and motivate, attract, and retain outstanding talents through equity incentive plans.

The Company maintains its well-established performance-based remuneration policy with discretionary year-end performance bonuses. Training was provided to new and existing staff to keep pace with the expansion of our store network.

As at June 30, 2024, the Group had 1,064 employees, of which 1,013 were employees in Chinese Mainland and 51 were employees in Hong Kong and Macau.

The table below sets forth the breakdown of our employees by function as at June 30, 2024:

Function	Number	Percentage of Total Number
Administrative	236	22%
Sales and marketing	474	45%
Production	341	32%
Research and design	13	1%
Total	<u>1,064</u>	<u>100%</u>

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Full Exercise of Over-allotment Option

The Over-allotment Option described in the Prospectus has been fully exercised by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) on July 25, 2024 in respect of an aggregate of 3,355,300 H Shares (the “**Over-allotment Shares**”), representing approximately 15% of the total number of the Offer Shares available under the Global Offering (taking into account the full exercise of the Offer Size Adjustment Option but before any exercise of the Over-allotment Option). The Over-allotment Shares were allotted and issued by the Company at HK\$40.50 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%), being the Offer Price per H Share under the Global Offering. For details, please refer to the announcement of the Company dated July 25, 2024 (the “**OAO Announcement**”). Unless otherwise defined herein, capitalized terms used in this interim results announcement shall have the same meanings as those defined in the OAO Announcement and the Prospectus.

Proposed Amendments to the Articles of Association and Adoption of the New Articles of Association

On August 30, 2024, the Board considered and approved to amend the Articles of Association and to adopt the new Articles of Association in order to (i) bring the Articles of Association up to date and in line with the latest PRC regulatory requirements; and (ii) incorporate certain housekeeping amendments (the “**Proposed Amendments**”).

The Proposed Amendments shall be subject to the passing of a special resolution by the shareholders of the Company at the forthcoming extraordinary general meeting of the Company (the “**EGM**”). A circular containing, among others, details of the Proposed Amendments and a notice convening the EGM will be despatched to the Company’s shareholders as soon as practicable. For details, please refer to the announcement of the Company dated August 30, 2024.

Proposed Implementation of the H Share Full Circulation by the Company

On August 30, 2024, the Board has considered and approved the proposal for the implementation of the H share full circulation, which is to convert 40,388,900 unlisted shares of the Company (the “**Unlisted Shares**”) in aggregate into H Shares (the “**H Share Full Circulation**”). Upon obtaining all the relevant approvals (including filing with the CSRC) and having complied with all the applicable laws, regulations and rules, such Unlisted Shares will be converted into H Shares, and the Company will also apply to the Stock Exchange for the listing of and permission to deal in such H Shares on the Main Board of the Stock Exchange (the “**Conversion and Listing**”). The Conversion and Listing shall be subject to the approval of the Shareholders at an extraordinary general meeting by way of ordinary resolution. For details, please refer to the announcement of the Company dated August 30, 2024.

Save as disclosed in this interim results announcement and as at the date of this interim results announcement, there were no significant events occurred after the Reporting Period that require additional disclosure or adjustments.

USE OF NET PROCEEDS FROM THE LISTING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on June 28, 2024. After deducting underwriting fees, commissions and other related estimated listing expenses, the total net proceeds of the Group's initial public offering and the exercise of the Over-allotment Option of approximately HK\$957.1 million (the "Net Proceeds") will be allocated and utilized in accordance with the intended purposes as set out in the Prospectus.

The intended and actual usage of the Net Proceeds as at June 30, 2024 are set out below:

Intended use of the Net Proceeds	Distribution of the Net Proceeds <i>HK\$ million</i>	Percentage of the total Net Proceeds	Amount of the Net Proceeds utilized during the Reporting Period <i>HK\$ million</i>	Balance of unutilized proceeds as of June 30, 2024 <i>HK\$ million</i>	Expected timetable for full utilization of the unutilized Net Proceeds
(i) allocated to expand sales network	701.6	73.3%	–	701.6	On or before December 31, 2027
(ii) allocated to maintain brand positioning and increase our brand awareness	108.2	11.3%	–	108.2	On or before December 31, 2027
(iii) allocated to optimize the internal information technology system and enhance the level of automation and informatization	25.8	2.7%	–	25.8	On or before December 31, 2027
(iv) allocated to strengthen our research and development capabilities	25.8	2.7%	–	25.8	On or before December 31, 2027
(v) allocated to our general working capital and general corporate purposes	95.7	10.0%	–	95.7	On or before December 31, 2027
Total	957.1	100%	–	957.1	

As of June 30, 2024 the net proceeds have not been utilized. As at the date of this interim results announcement, the Board is not aware of any material change to the plan as to the use of the Net Proceeds.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2024.

CORPORATE GOVERNANCE CODE

The Group is committed to maintain high standards of corporate governance to safeguard the interests of the Company's Shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions set out in the CG Code as its own code of corporate governance. From the Listing Date to the date of this interim results announcement, the Company has complied with all code provisions set out in the CG Code, except for the following deviations. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of corporate governance practices of the Company.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be segregated and should not be performed by the same individual. According to the current structure of the Board, Mr. Xu is our chairman of the Board and general manager of our Company. With extensive experience in the jewelry industry and having served in our Company since its establishment, Mr. Xu is in charge of the overall corporate and business strategies of our Group. Our Board considers that vesting the roles of chairman of the Board and general manager in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Since the Listing, our Board comprises four executive Directors (including Mr. Xu) and three independent non-executive Directors, and therefore has a strong independence element in its composition.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and Supervisors. Having made specific enquiries with all Directors and Supervisors of the Company, each of the Directors and Supervisors has confirmed that they have complied with the required standard set out in the Model Code from the Listing Date to the date of this interim results announcement.

The Company's relevant employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company from the Listing Date to the date of this interim results announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

From the Listing Date to the date of this interim results announcement, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any of the listed securities of the Company.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee consists of three members, all of which are independent non-executive Directors, namely Dr. He Yurun (Chairperson), Mr. Sun Yijun and Mr. See Tak Wah, with written terms of reference in accordance with the requirements of the Listing Rules. The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group with the Company's management and external auditors, and reviewed the interim results of the Company for the six months ended June 30, 2024. The Audit Committee reviewed and considered that the interim financial results for the six months ended June 30, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Company's independent auditor, Ernst & Young, has performed an independent review of the Group's unaudited interim financial information for the six months ended June 30, 2024 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2024 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.lphj.com. The 2024 interim report containing all the information required by the Listing Rules will be dispatched to the shareholders and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS AND GLOSSARY

In this interim results announcement, unless the context otherwise requires, the following expressions shall have the following meanings.

"Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China", "Chinese Mainland" or "the PRC"	the People's Republic of China excluding, for the purposes of this interim results announcement, Hong Kong, Macau and Taiwan
"China Gold Association"	a nationwide not-for-profit organization dedicated to gold industry mechanism establishment, approved and registered by the Ministry of Civil Affairs of the People's Republic of China and the former State Economic and Trade Commission in November 2001 in accordance with the Proposal for Reforming the State Gold Management System defined by the State Council

“Company”	Laopu Gold Co., Ltd. (老鋪黃金股份有限公司), a limited liability company incorporated in the PRC on December 5, 2016 which was converted into a joint stock company with limited liability on November 25, 2019 (stock Code: 6181)
“Director(s)”	the director(s) of the Company
“filigree inlay (花絲鑲嵌)”	a traditional gold crafting technique that combines filigree technique and inlay technique. It was approved by the State Council of the People’s Republic of China to be included in the national intangible cultural heritage list in 2008
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., Ltd. an independent market research and consulting company
“gem-set jewelry”	jewelries with diamonds or other gemstones inlaid in pure gold
“gemstone”	mineral crystals of aesthetics value, often used to make jewelry or ornament, among which diamond is a special kind of gemstone formed only from one single element of carbon, in comparison with other gemstones
“Global Offering”	the Hong Kong Public Offering and the International Offering
“gold and silver inlay (金銀錯)”	a traditional technique of embedding threads of gold and silver to make decorative patterns on the surface of an object. It was approved by the State Council of the People’s Republic of China to be included in the national intangible cultural heritage list in 2014
“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require
“H Share(s)”	Shares which an application has been made for listing and permission to trade on the Hong Kong Stock Exchange with par value of RMB1.00 each
“heat treatment of enamels(燒藍)”	a decorative process that entails the application of colored enamel glaze onto the surface of gold products, which results in a vibrant and multi-hued appearance
“heritage gold (古法黃金) jewelry”	a type of pure gold jewelry that combines modern designs and classic Chinese culture, features matte (啞光), sandy (磨砂) or other texture of ancient royal jewelry, and applies at least two Chinese traditional handmade gold crafting techniques as specified in the group standards published by the China Gold Association

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“IFRS”	International Financial Reporting Standards, amendments and interpretations issued by the IASB
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	June 28, 2024, on which the H Shares were listed and on which dealings in the H Shares were first permitted to commence on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“MixC”	a high-end shopping mall under China Resources (Holdings) Company Limited (華潤(集團)有限公司), with a geographic layout covering over 30 cities in China
“Mr. Xu”	Mr. Xu Gaoming (徐高明), our executive Director and one of our controlling shareholders
“pure gold”	refers to fine gold with gold content of 99.0% or above, according to the PRC National Standard No. GB11887
“Reporting Period”	for the six months ended June 30, 2024
“Prospectus”	the prospectus of the Company dated June 20, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“SKP”	a high-end shopping mall under BHG, with Beijing SKP, Xi’an SKP, Chengdu SKP and etc. in its network
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“%”	per cent

By Order of the Board
Laopu Gold Co., Ltd.
老鋪黃金股份有限公司
Xu Gaoming
Chairman and Executive Director

Hong Kong, August 30, 2024

As at the date of this announcement, the Board of Directors of the Company comprises (i) Mr. Xu Gaoming, Mr. Feng Jianjun, Mr. Xu Rui and Mr. Jiang Xia as executive directors; and (ii) Mr. Sun Yijun, Dr. He Yurun and Mr. See Tak Wah as independent non-executive directors.