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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2024, the Group's revenue was approximately RMB11,550,680,000 (2023: RMB8,423,618,000), representing an increase of approximately 37.12% as compared to the previous year.

For the year ended 31 December 2024, the Group's net profit was approximately RMB 1,851,333,000 (2023: RMB838,418,000), representing an increase of approximately 120.81% as compared to the previous year.

For the year ended 31 December 2024, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.35 and RMB0.35, respectively (2023: RMB0.14 and RMB0.14, respectively), representing an increase of approximately 150.00% and 150.00%, respectively, as compared to the previous year.

For the year ended 31 December 2024, the profit attributable to owners of the parent was approximately RMB1,450,799,000 (2023: RMB686,430,000), representing an increase of approximately 111.35% as compared to the previous year.

The Board proposed the payment of a cash dividend of RMB0.05 per share (tax included) (2023: RMB0.04 (tax included)) to the Shareholders.

The board (the "Board") of directors (the "Directors") of Zhaojin Mining Industry Company Limited* (the "Company") is pleased to announce the consolidated audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024 (the "Year").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	3	11,550,680	8,423,618
Cost of sales		<u>(7,028,727)</u>	<u>(5,053,333)</u>
Gross profit		4,521,953	3,370,285
Other income and gains	3	582,509	526,967
Selling and distribution expenses		(48,470)	(31,401)
Administrative expenses		(1,473,587)	(1,302,072)
Impairment losses on financial assets		(19,509)	(151,059)
Other expenses	4	(799,600)	(679,501)
Finance costs	5	(544,594)	(607,694)
Share of profits and losses of:			
– Associates		11,680	1,000
– Joint ventures		<u>(1,494)</u>	<u>–</u>
PROFIT BEFORE TAX	6	2,228,888	1,126,525
Income tax expense	7	<u>(377,555)</u>	<u>(288,107)</u>
PROFIT FOR THE YEAR		<u>1,851,333</u>	<u>838,418</u>
Attributable to:			
Owners of the parent		1,450,799	686,430
Non-controlling interests		<u>400,534</u>	<u>151,988</u>
		<u>1,851,333</u>	<u>838,418</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
– For profit for the year (<i>RMB</i>)	9	<u>0.35</u>	<u>0.14</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2024*

	2024 RMB'000	2023 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>1,851,333</u>	<u>838,418</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>(21,898)</u>	<u>11,089</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(21,898)</u>	<u>11,089</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of post-employment benefit obligations	1,902	(2,873)
Income tax effect	(79)	544
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(96,635)	(156,978)
Income tax effect	<u>(6,092)</u>	<u>1,521</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(100,904)</u>	<u>(157,786)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(122,802)</u>	<u>(146,697)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,728,531</u>	<u>691,721</u>
Attributable to:		
Owners of the parent	1,317,976	539,981
Non-controlling interests	<u>410,555</u>	<u>151,740</u>
	<u>1,728,531</u>	<u>691,721</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		18,456,366	16,495,003
Investment properties		76,443	93,011
Right-of-use assets		792,224	752,358
Goodwill		583,303	583,303
Other intangible assets		16,544,500	12,550,869
Investments in joint ventures		1,716	–
Investments in associates		410,453	267,713
Financial assets measured at amortised cost		253,418	562,662
Equity investments designated at fair value through other comprehensive income		564,344	656,878
Deferred tax assets		509,564	439,869
Loans receivable		219,516	233,040
Long-term deposits		22,186	35,701
Term deposits		423,377	355,000
Other long-term assets		819,585	805,127
Total non-current assets		39,676,995	33,830,534
CURRENT ASSETS			
Inventories		6,246,351	5,154,577
Trade and notes receivables	10	175,974	227,799
Prepayments, other receivables and other assets		1,373,119	578,713
Financial assets at fair value through profit or loss		1,353,614	1,500,538
Financial assets measured at amortised cost		–	20,265
Pledged deposits		625,805	536,768
Loans receivable		1,881,932	2,102,099
Term deposits		204,330	–
Cash and cash equivalents		2,029,825	2,916,103
Total current assets		13,890,950	13,036,862

		31 December 2024	31 December 2023
	<i>Notes</i>	RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and notes payables	11	825,718	520,754
Other payables and accruals		2,714,710	2,131,602
Financial liabilities at fair value through profit or loss		–	569,713
Interest-bearing bank and other borrowings		7,573,647	4,824,267
Corporate bonds		1,999,184	2,999,486
Tax payable		212,291	41,820
Provisions		1,607	2,378
Deposits from customers		859,746	931,817
Current portion of other long-term liabilities		248,254	221,854
Total current liabilities		14,435,157	12,243,691
NET CURRENT LIABILITIES		(544,207)	793,171
TOTAL ASSETS LESS CURRENT LIABILITIES		39,132,788	34,623,705
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		5,411,072	4,943,050
Corporate bonds		4,996,792	4,996,288
Lease liabilities		58,479	19,229
Deferred tax liabilities		1,162,730	264,159
Deferred income		76,498	80,953
Provisions		124,489	78,068
Deposits from customers		500,000	400,000
Other long-term liabilities		1,610,437	1,597,632
Total non-current liabilities		13,940,497	12,379,379
Net assets		25,192,291	22,244,326
EQUITY			
Equity attributable to owners of the parent			
Share capital		3,402,393	3,270,393
Perpetual capital instruments		7,025,278	7,075,529
Reserves		10,755,931	8,516,038
		21,183,602	18,861,960
Non-controlling interests		4,008,689	3,382,366
Total equity		25,192,291	22,244,326

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial liabilities at fair value through profit or loss, wealth management products, equity investments and non-current financial assets which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2024, the Group had net current liabilities of RMB544,207,000 (2023: net current assets of RMB793,171,000). In view of these circumstances, the Directors of the Company have given consideration to the future liquidity of the Group and its available sources of finance including banking facilities in assessing whether the Group will have sufficient financial resources to continue as a going concern. As at 31 December 2024, taking into account the Group’s cash flow projection, including the Group’s unutilised banking facilities, ability to renew or refinance the banking facilities upon maturity and the Group’s future capital expenditure in respect of its non-cancellable capital commitments, the Directors of the Company consider that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period, accordingly, these financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including structured entities), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the 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. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

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

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the gold operations segment consists of gold mining and smelting operations;
- (b) the copper operations segment consists of copper mining and smelting operations;
- (c) the “others” segment comprises, principally, the Group’s other investment activities, operation of a finance company, operation and catering services of a hotel, exploration services, engineering design and consulting services and overseas operations.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group’s profit before tax except interest income and finance costs.

Segment assets exclude deferred tax assets, term deposits, pledged deposits, and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, corporate bonds, deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's operation by business segment is as follows:

Year ended 31 December 2024

	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Segment revenue				
Total segment revenue	10,718,693	376,360	455,627	11,550,680
Segment results	2,582,314	(33,673)	24,103	2,572,744
<i>Reconciliation:</i>				
Interest income				200,738
Finance costs				(544,594)
Profit before tax				2,228,888
Segment assets	41,746,748	2,611,646	5,416,650	49,775,044
<i>Reconciliation:</i>				
Corporate and other unallocated assets				3,792,901
Total assets				53,567,945
Segment liabilities	(4,612,555)	(713,212)	(1,906,462)	(7,232,229)
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				(21,143,425)
Total liabilities				(28,375,654)
Other segment information				
Capital expenditure*	7,687,497	58,922	42,221	7,788,640
Investments in associates	410,453	–	–	410,453
Investment in joint ventures	–	–	1,716	1,716
Provision for inventories	(15,673)	5,226	(723)	(11,170)
Impairment losses on financial assets	21,243	1,773	(3,507)	19,509
Impairment losses on long-term assets	401,844	–	–	401,844
Share of gain/(loss) of:				
– Associates	11,680	–	–	11,680
– Joint ventures	–	–	(1,494)	(1,494)
Depreciation and amortisation	1,210,333	55,365	89,088	1,354,786
Fair value gain/(loss) on financial assets at fair value through profit or loss	(35,651)	–	88,784	53,133

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

Year ended 31 December 2023

	Gold operations <i>RMB'000</i>	Copper operations <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Total segment revenue	7,671,610	300,920	451,088	8,423,618
Segment results	1,762,779	(107,721)	(184,463)	1,470,595
<i>Reconciliation:</i>				
Interest income				263,624
Finance costs				(607,694)
Profit before tax				1,126,525
Segment assets	33,993,529	2,594,590	6,031,537	42,619,656
<i>Reconciliation:</i>				
Corporate and other unallocated assets				4,247,740
Total assets				46,867,396
Segment liabilities	(4,213,524)	(641,247)	(1,741,049)	(6,595,820)
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				(18,027,250)
Total liabilities				(24,623,070)
Other segment information				
Capital expenditure*	2,311,118	70,332	23,960	2,405,410
Investments in associates	267,713	–	–	267,713
Provision for inventories	16,217	–	798	17,015
Impairment losses on financial assets	171,730	2,719	(23,390)	151,059
Impairment losses on long-term assets	297,625	–	79,200	376,825
Share of gain/(loss) of:				
– Associates	1,335	–	(335)	1,000
– Joint venture	–	–	–	–
Depreciation and amortisation	864,724	38,384	93,122	996,230
Fair value gain/(loss) on financial assets at fair value through profit or loss	(30,351)	–	(41,863)	(72,214)

* Capital expenditure consists of additions to property, plant and equipment, goodwill, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

Geographical information

(i) Revenue from external customers

	2024 RMB'000	2023 RMB'000
Mainland China	10,161,998	8,392,821
Overseas	1,388,682	30,797
Total revenue	<u>11,550,680</u>	<u>8,423,618</u>

The revenue information of continuing operations above is based on the locations of the customers.

(ii) Non-current assets

	2024 RMB'000	2023 RMB'000
Mainland China	33,348,540	32,834,730
Overseas	5,395,514	200,935
Total non-current assets	<u>38,744,054</u>	<u>33,035,665</u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes deferred tax assets and term deposits.

Information about a major customer

Revenue of approximately RMB7,304,473,000 (63% of the total sales) (2023: RMB6,555,740,000, 78% of the total sales) was derived from sales by the gold operations segment to a single customer. In addition, the revenue from the largest five customers accounted for 83% of the total sales (2023: 82% of the total sales).

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	11,887,713	8,677,623
Less: Government surcharges	<u>(337,033)</u>	<u>(254,005)</u>
Total	<u>11,550,680</u>	<u>8,423,618</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Gold RMB'000	Copper RMB'000	Others RMB'000	Total RMB'000
Types of goods or services				
Sale of gold	10,714,459	14,445	118,839	10,847,743
Sale of copper	3,552	326,765	–	330,317
Sale of silver	100,107	20,098	–	120,205
Sale of sulphur	5,710	7,550	42,226	55,486
Sale of other by-products	217,596	–	194,189	411,785
Rendering of processing services	8,227	10,323	–	18,550
Others	–	–	103,627	103,627
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>
Geographical markets				
Mainland China	9,660,760	379,181	458,881	10,498,822
Overseas	1,388,891	–	–	1,388,891
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>
Timing of revenue recognition				
Revenue recognised at a point in time	11,049,651	379,181	397,767	11,826,599
Revenue recognised over time	–	–	61,114	61,114
Less: Government surcharges	(330,958)	(2,821)	(3,254)	(337,033)
Total	<u>10,718,693</u>	<u>376,360</u>	<u>455,627</u>	<u>11,550,680</u>

For the year ended 31 December 2023

Segments	Gold <i>RMB'000</i>	Copper <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services				
Sale of gold	7,695,307	19,277	30,849	7,745,433
Sale of copper	1,560	265,043	–	266,603
Sale of silver	83,330	13,394	–	96,724
Sale of sulphur	1,184	2,682	73,761	77,627
Sale of other by-products	107,491	–	249,629	357,120
Rendering of processing services	32,858	2,096	–	34,954
Others	–	–	99,162	99,162
Less: Government surcharges	(250,120)	(1,572)	(2,313)	(254,005)
Total	<u>7,671,610</u>	<u>300,920</u>	<u>451,088</u>	<u>8,423,618</u>
Geographical markets				
Mainland China	7,921,730	302,492	422,552	8,646,774
Overseas	–	–	30,849	30,849
Less: Government surcharges	(250,120)	(1,572)	(2,313)	(254,005)
Total	<u>7,671,610</u>	<u>300,920</u>	<u>451,088</u>	<u>8,423,618</u>
Timing of revenue recognition				
Revenue recognised at a point in time	7,921,730	302,492	404,965	8,629,187
Revenue recognised over time	–	–	48,436	48,436
Less: Government surcharges	(250,120)	(1,572)	(2,313)	(254,005)
Total	<u>7,671,610</u>	<u>300,920</u>	<u>451,088</u>	<u>8,423,618</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2024

Segments	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	10,718,693	376,360	455,627	11,550,680

For the year ended 31 December 2023

Segments	Gold operations RMB'000	Copper operations RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	7,671,610	300,920	451,088	8,423,618

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	203,037	120,154
Others	6,603	26,519
Total	209,640	146,673

There was no revenue recognised from performance obligations satisfied in previous periods.

(b) Performance obligations

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

Sale of goods

The performance obligation is satisfied upon delivery of the products. Payment is generally due upon delivery of the products, and a proportional payment in advance is required in some cases.

Processing services

The performance obligation is satisfied upon completion of the service. Payment is generally due upon services are rendered, and a proportional payment in advance is required in some cases.

Other services

The performance obligation is satisfied over time as services are rendered and a proportional payment in advance is normally required. Payment is generally due upon completion of processing services.

As at 31 December 2024, the remaining performance obligations (unsatisfied or partially unsatisfied) were expected to be recognised within one year. The performance obligation is part of a contract that has an original expected duration of one year or less, as permitted under the paragraph 121 of HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed. An estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained.

	2024 RMB'000	2023 <i>RMB'000</i>
Other income and gains		
Interest income	200,738	263,624
Dividend income from equity investments designated at fair value through other comprehensive income	27,461	15,875
Government grants	34,900	66,122
Sales of auxiliary materials	90,028	55,888
Gross rental income from investment properties	6,824	8,352
Gain on settlement of financial instruments	134,103	61,690
Gain on disposal of a subsidiary	1,025	9,138
Gain on disposal of a joint venture	–	1,019
Gain on disposal of an associate	–	22,594
Fair value gains on financial assets at fair value through profit or loss	53,133	–
Reversal of provision for impairment of inventories	11,170	–
Others	23,127	22,665
	<hr/>	<hr/>
Total other income and gains	582,509	526,967

4. OTHER EXPENSES

	2024 RMB'000	2023 RMB'000
Impairment of right-of-use assets	6,950	–
Impairment of other intangible assets	–	104,974
Impairment of property, plant and equipment	344,984	266,407
Impairment of construction in progress	49,910	–
Impairment loss on investments in an associate	–	5,444
Provision for inventories	–	17,015
Cost of auxiliary materials	67,481	32,662
Other business expense	36,075	51,559
Exchange loss, net	2,644	8,671
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, right-of-use assets and other long-term assets	47,387	2,561
Fair value loss on financial assets at fair value through profit or loss	–	72,214
Loss on disposal of associates	871	–
Loss on settlement of commodity derivative contracts	183,440	50,371
Others	59,858	67,623
Total	<u>799,600</u>	<u>679,501</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings	261,397	335,233
Interest on corporate bonds	229,416	252,183
Interest on gold leasing business	63,464	92,349
Interest on short-term bonds	17,741	5,852
Interest on lease liabilities	3,968	1,637
Less: Interest capitalised	(128,880)	(114,774)
	<u>447,106</u>	<u>572,480</u>
Amortization of unrecognised financing expenses of mining rights	95,795	32,797
Unwinding of discount on provisions and other long-term liabilities	1,693	2,417
Total	<u>544,594</u>	<u>607,694</u>

6. PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold and services provided	7,028,727	5,053,333
Staff costs (including Directors' remuneration):		
Wages and salaries	923,627	843,035
Defined contribution plans:		
– Retirement costs	196,568	191,897
– Other staff benefits	146,305	129,148
Total staff costs	<u>1,266,500</u>	<u>1,164,080</u>
Auditor's remuneration	4,160	4,160
Depreciation of right-of-use assets	40,341	36,934
Amortisation of other intangible assets	341,983	126,391
Depreciation of property, plant and equipment	963,379	826,674
Depreciation of investment properties	3,191	2,837
Amortisation of long-term prepaid expense	5,892	3,394
Loss on disposal or write-off of items of property, plant and equipment, other intangible assets, right-of-use assets and other long-term assets	47,387	2,561
Provision for impairment of receivables	18,056	37,316
Impairment loss on investment in an associate	–	5,444
Impairment loss on property, plant and equipment	344,984	266,407
Impairment loss on other intangible assets	–	104,974
Impairment loss on construction in progress	49,910	–
(Reversal of)/provision for impairment of inventories	(11,170)	17,015
Impairment loss on loans receivable	1,664	113,868
Impairment loss on right-of-use assets	6,950	–
Fair value (profit)/loss, net:		
Financial assets at fair value through profit or loss	(53,133)	72,214
Dividend income from equity investments designated at fair value through other comprehensive income	(27,461)	(15,875)
Loss on settlement of commodity derivative contracts	183,440	50,371
Foreign exchange differences, net	2,644	8,671
Gain on settlement of financial instruments	(134,103)	(61,690)
Gain on disposal of a subsidiary	(1,025)	(9,138)
Loss/(gain) on disposal of associates	871	(22,594)
Gain on disposal of a joint venture	–	(1,019)

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.

Provision for current income tax in Mainland China is 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 Mainland China, 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, except for certain subsidiaries of the Group which are qualifying entities under the two-tiered profits tax rates regime. The first HKD2,000,000 (2023: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on assessable profits of overseas subsidiaries have been provided at the rates prevailing in the jurisdictions in which the Group operates, mainly 25% for 2024 (2023: 25%), with an exception of 30% of a subsidiary, located in Sierra Leone, which was newly acquired by the Company in 2024 and applied a tax rate of 30% for 2024.

The major components of income tax expense for the year are as follows:

	2024 RMB'000	2023 RMB'000
Current – Hong Kong and Overseas		
– Charge for the year	61,507	50
Current – Mainland China		
– Charge for the year	497,281	373,702
Deferred	(181,233)	(85,645)
Total tax charge for the year	<u>377,555</u>	<u>288,107</u>

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rates in Mainland China and Hong Kong to the income tax expense at the Group's effective income tax rate for the year is as follows:

2024

	Hong Kong and Overseas RMB'000	%	Mainland China RMB'000	%	Total RMB'000	%
Profit before tax from continuing operations	<u>163,382</u>		<u>2,065,506</u>		<u>2,228,888</u>	
Tax at the statutory tax rate	40,846	25.0	516,376	25.0	557,222	25.0
<i>Reconciling items:</i>						
Different tax rates for specific provinces or enacted by local authority	(3,001)	(1.8)	(244,048)	(11.8)	(247,049)	(11.1)
Expenses not deductible for tax	15,820	9.7	21,519	1.0	37,339	1.7
Adjustment in respect of current tax of previous periods	–	–	4,448	0.2	4,448	0.2
Tax losses and temporary differences not recognised	29,630	18.1	147,949	7.2	177,579	8.0
Tax losses utilised from previous periods	(64,592)	(39.5)	(9,391)	(0.5)	(73,983)	(3.3)
Income not subject to tax	(35,892)	(22.0)	(1,405)	–	(37,297)	(1.7)
Research and development costs	–	–	(39,166)	(1.9)	(39,166)	(1.8)
Profits and losses attributable to joint ventures and associates	<u>2,358</u>	<u>1.4</u>	<u>(3,896)</u>	<u>(0.2)</u>	<u>(1,538)</u>	<u>(0.1)</u>
Tax charge at the Group's effective rate	<u>(14,831)</u>	<u>(9.1)</u>	<u>392,386</u>	<u>19.0</u>	<u>377,555</u>	<u>16.9</u>
Tax charge from continuing operations at the effective rate	<u>(14,831)</u>	<u>(9.1)</u>	<u>392,386</u>	<u>19.0</u>	<u>377,555</u>	<u>16.9</u>

2023

	Hong Kong RMB'000	%	Mainland China RMB'000	%	Total RMB'000	%
Profit before tax from continuing operations	<u>(142,596)</u>		<u>1,269,121</u>		<u>1,126,525</u>	
Tax at the statutory tax rate	(35,649)	25.0	317,281	25.0	281,632	25.0
<i>Reconciling items:</i>						
Lower tax rates for specific provinces or enacted by local authority	12,121	(8.5)	(177,477)	(14.0)	(165,356)	(14.7)
Effect on opening deferred tax of increase in rates	–	–	(8,893)	(0.7)	(8,893)	(0.8)
Expenses not deductible for tax	32	–	13,229	1.0	13,261	1.2
Adjustment in respect of current tax of previous periods	–	–	39,893	3.1	39,893	3.5
Tax losses and temporary differences not recognised	22,782	(16.0)	161,872	12.8	184,654	16.4
Tax losses utilised from previous periods	(1,550)	1.1	(12,988)	(1.0)	(14,538)	(1.3)
Income not subject to tax	–	–	(1,239)	–	(1,239)	(0.1)
Research and development costs	–	–	(41,179)	(3.2)	(41,179)	(3.6)
Profits and losses attributable to joint ventures and associates	<u>2,251</u>	<u>(1.6)</u>	<u>(2,379)</u>	<u>(0.3)</u>	<u>(128)</u>	<u>–</u>
Tax charge at the Group's effective rate	<u>(13)</u>	<u>–</u>	<u>288,120</u>	<u>22.7</u>	<u>288,107</u>	<u>25.6</u>
Tax charge from continuing operations at the effective rate	<u>(13)</u>	<u>–</u>	<u>288,120</u>	<u>22.7</u>	<u>288,107</u>	<u>25.6</u>

8. DIVIDEND

	2024 RMB'000	2023 RMB'000
Ordinary:		
Proposed final dividend – RMB0.05 per share (2023: RMB0.04 per share)	<u>170,120</u>	<u>130,816</u>

The board of directors recommended a final dividend of RMB0.05 per share (tax included) to the shareholders of the Company for the year ended 31 December 2024 (2023: RMB0.04 per share (tax included)), which would be subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary Shares of 3,361,639,000 (2023: 3,270,393,000) outstanding during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary Shares in issue during the years ended 31 December 2024 and 2023.

10. TRADE AND NOTES RECEIVABLES

	2024 RMB'000	2023 <i>RMB'000</i>
Trade receivables	177,284	238,950
Notes receivable	16,569	10,449
Impairment	(17,879)	(21,600)
	<hr/>	<hr/>
Net carrying amount	175,974	227,799
	<hr/>	<hr/>

The Group's trading terms with its customers are mainly on credit, except for new customers and sales of gold and copper concentrates, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding trade receivables and has a credit control department to minimise credit risk. Ageing balances of trade receivables are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and notes receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivables balances. Trade and notes receivables are non-interest-bearing.

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

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 year	149,714	203,875
1 to 2 years	4,816	6,066
2 to 3 years	3,103	3,635
Over 3 years	1,772	3,774
	<hr/>	<hr/>
Total	159,405	217,350
	<hr/>	<hr/>

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

	2024 RMB'000	2023 <i>RMB'000</i>
At beginning of year	21,600	12,252
Impairment losses, net	(509)	9,348
Written off as uncollectible	(3,212)	–
At end of year	17,879	21,600

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	0.72%	14.94%	27.95%	89.27%	10.08%
Gross carrying amount (<i>RMB'000</i>)	150,795	5,662	4,307	16,520	177,284
Expected credit losses (<i>RMB'000</i>)	1,081	846	1,204	14,748	17,879

As at 31 December 2023

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	2.67%	29.05%	50.45%	72.26%	8.54%
Gross carrying amount (<i>RMB'000</i>)	209,463	8,550	7,335	13,602	238,950
Expected credit losses (<i>RMB'000</i>)	5,588	2,484	3,700	9,828	21,600

Trade and notes receivables are non-interest-bearing. As 63% (2023: 78%) of the sales of the Group for the year ended 31 December 2024 were generated through the Shanghai Gold Exchange (SGE) without specific credit terms, and the remaining 37% (2023: 22%) of the sales were generated from the transactions with related parties and third parties. There were no significant receivables that were overdue or impaired.

Trade and notes receivables due from related parties included in the trade and notes receivables of the Group are as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Amounts due from related parties		
Zhaojin Group	222	148
Subsidiaries of Zhaojin Group	5,878	5,475
	<hr/>	<hr/>
Total	6,100	5,623
	<hr/>	<hr/>

The amounts due from related parties are unsecured, interest-free and are expected to be settled within 180 days.

11. TRADE AND NOTES PAYABLES

	2024 RMB'000	2023 <i>RMB'000</i>
Trade payables	649,280	362,584
Notes payable	176,438	158,170
	<hr/>	<hr/>
Total	825,718	520,754
	<hr/>	<hr/>

At 31 December 2024, the balance of trade and notes payables mainly represented the amount regarding the unsettled procurement of gold concentrate. The trade and notes payables are non-interest-bearing and the trade payables are normally settled on 60 days' terms.

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

	2024 RMB'000	2023 <i>RMB'000</i>
Within one year	782,261	471,674
Over one year but within two years	18,256	23,971
Over two years but within three years	5,337	8,806
Over three years	19,864	16,303
	<hr/>	<hr/>
Total	825,718	520,754
	<hr/>	<hr/>

Trade payables due to related parties included in the trade payables of the Group are as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Amounts due to related parties:		
Subsidiaries of Zhaojin Group	56	761
Associates	25	3,993
	<hr/>	<hr/>
Total	81	4,754
	<hr/>	<hr/>

The amounts due to related parties are unsecured, interest-free and expected to be settled within 60 days, which represents credit terms similar to those offered from the related parties to their major suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Year

Gold output

For the Year, the Group's total output of gold amounted to 26,449.73 kg (approximately 850,377.84 ozs), representing an increase of approximately 7.15% as compared to the previous year. Among which, 18,337.72 kg (approximately 589,570.96 ozs) of gold was mine-produced gold, representing an increase of approximately 4.34% as compared to the previous year, and 8,112.01 kg (approximately 260,806.87 ozs) was smelted and processed gold, representing an increase of approximately 14.10% as compared to the previous year. The increase in total gold output was mainly due to the increase in gold production from overseas mines acquired by the Group and smelted and processed gold.

Revenue

For the Year, the Group's revenue was approximately RMB11,550,680,000 (2023: RMB8,423,618,000), representing an increase of approximately 37.12% as compared to the previous year. The increase in revenue was mainly due to the rise in gold prices and increase in gold sales volume.

Net profit

For the Year, the Group's net profit was approximately RMB1,851,333,000 (2023: RMB838,418,000), representing an increase of approximately 120.81% as compared to the previous year. The increase in net profit was mainly due to the rise in gold prices and the increase in production and sales volume.

Earnings per share

For the Year, the basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.35 and RMB0.35, respectively (2023: RMB0.14 and RMB0.14, respectively), representing an increase of approximately 150.00% and 150.00% respectively as compared to the previous year.

Distribution proposal

The Board proposed the payment of a cash dividend of RMB0.05 per share (tax included) (2023: RMB0.04 (tax included)) to the holders (the "Shareholders") of the share(s) (the "Share(s)") of the Company.

Regarding the distribution of cash dividend, dividends for the Shareholders of domestic Shares will be declared and paid in RMB, whereas dividends for the Shareholders of H Shares (the "H Shareholders") will be declared in RMB and paid in Hong Kong dollars.

The proposed distribution proposal for the Year is subject to the approval of the Shareholders at the annual general meeting of the Company for the Year (the "2024 AGM"), which will be held on Monday, 2 June 2025.

If the distribution proposal is approved at the 2024 AGM, it is expected that the final dividend for the Year will be paid on or before Monday, 30 June 2025 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 10 June 2025.

Under the relevant tax rules and regulations of the People's Republic of China (the "PRC" or "China") (collectively the "PRC Tax Law"), the Company is required to withhold and pay the corporate income tax at the rate of 10% when distributing the final dividend to non-resident enterprises (which shall have the meaning as defined under the PRC Tax Law) whose names appear on the H Shares register of members of the Company on Tuesday, 10 June 2025.

In accordance with the PRC Tax Law, the Company is required to withhold and pay individual income tax when distributing the final dividend to individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 10 June 2025. Individual H Shareholders are entitled to certain tax preferential treatments according to the bilateral tax treaties between countries where the individual H Shareholders reside in and China and the bilateral tax treaties between Chinese Mainland and Hong Kong or Macau. The Company will withhold and pay the individual income tax at the tax rate of 10% on behalf of the individual H Shareholders who are Hong Kong residents, Macau residents or residents of those countries which have bilateral tax treaties with China for individual income tax rate in respect of dividend of 10%. For individual H Shareholders who are residents of those countries that entered into agreements with China for individual income tax rates in respect of dividend of lower than 10%, the Company will make applications on their behalf for entitlement of the relevant agreed preferential treatments pursuant to the Announcement of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-resident Taxpayers under Treaties (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》). For individual H Shareholders who are residents of those countries having bilateral tax treaties with China for individual income tax rates in respect of dividend of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the actual tax rate. For individual H Shareholders who are residents of those countries without any bilateral tax treaties with China or having bilateral tax treaties with China for individual income tax in respect of dividend of 20% and for other situations, the Company would withhold and pay the individual income tax at a tax rate of 20%.

In accordance with the PRC Tax Law, the Company has an obligation to withhold and pay the corporate income tax and individual income tax for payment of the final dividend to non-resident enterprises and individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 10 June 2025. If the resident enterprises (which shall have the meaning as defined under the PRC Tax Law) and overseas resident individual Shareholders whose names appear on the H Shares register of members of the Company on Tuesday, 10 June 2025 do not wish to have the corporate income tax and individual income tax withheld and paid by the Company, they should lodge with Computershare Hong Kong Investor Services Limited the relevant documents issued by the relevant PRC tax authority certifying that they are resident enterprises or individual Shareholders, on or before 4:30 p.m. on Thursday, 5 June 2025. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

The Company will withhold and pay the corporate income tax and individual income tax in strict compliance with the PRC Tax Law and the requirements of the relevant government authorities. The Company shall not be liable for any dispute relating to the withholding and payment of corporate income tax and individual income tax which arises from the failure of non-resident enterprises and individual Shareholders to lodge the relevant documents within the prescribed timeframe as mentioned above.

Market Overview

In 2024, the international spot gold price demonstrated a strong momentum throughout the year, driven by a combination of factors including inflation, the monetary policy of the U.S. Federal Reserve (the “Fed”), and geopolitical developments. In the first half of the year, the international spot gold price overall exhibited a trend of fluctuation, followed by an upswing and then consolidation. Driven by expectations regarding Fed interest rate cuts during the year, geopolitical hedging primarily in the Middle East, and continuous gold purchases by central banks, the international spot gold price has seen a sustained upward trend, reaching a periodic peak of US\$2,450.10/oz on 20 May 2024. Subsequently, due to mixed U.S. economic, employment, and inflation data, which led to uncertainty in Fed’s interest rate-cut and a continuous delay in the overall timing of potential rate cuts, the international spot gold price dropped under pressure. In the second half of the year, the international spot gold price initially declined, then rebounded, surged to a peak, and subsequently retreated. At the beginning of the third quarter, the international spot gold price retreated under pressure triggered by the People’s Bank of China halting gold purchases and the Fed’s stance on fighting inflation. From August to October, the international gold price reached the highest point of US\$2,790.07/oz in the year on 31 October 2024, fueled by the anticipation of an economic downturn pushing the Fed to accelerate interest rate cuts, uncertainties surrounding the U.S. election, and geopolitical hedging. After November, with the U.S. election outcome settled, U.S. inflation expectations rebounding, and the Fed slowing its pace of interest rate cuts, gold price experienced a pullback under pressure.

During the Year, the international gold price opened at US\$2,062.66/oz, and closed at US\$2,623.82/oz, with the highest price at US\$2,790.07/oz and lowest at US\$1,984.08/oz, indicating an annual average price of US\$2,388.64/oz. The opening price of 9995 gold on the Shanghai Gold Exchange (the “SGE”) was RMB480.80 per gram, and the closing price was RMB615.98 per gram, indicating an average annual price of RMB580.78 per gram, and representing a year-on-year increase of 28.35%. The opening price of 9999 gold on the SGE was RMB480.80 per gram, and the closing price was RMB614.80 per gram, indicating an average annual price of RMB548.50 per gram, and representing a year-on-year increase of 22.15%. The opening price of T+D gold on the SGE was RMB479.00 per gram, and the closing price was RMB614.82 per gram, indicating an annual average price of RMB565.41 per gram, and representing a year-on-year increase of 25.84%.

In 2024, according to China Gold Association, China actively responded to the requirements of high-quality development in gold industry, strengthened geological exploration, made efforts to increase reserves and production, insisted on scientific and technological innovation, strictly adhered to the bottom line of safety and environmental protection, and accelerated the construction of green mines. In 2024, China produced raw gold of 377.24 tons, representing an increase of 2.09 tons as compared to that of 2023 and a year-on-year increase of 0.56%, which comprised 298.41 tons of golds from gold mines and 78.83 tons of non-ferrous metals as by-products.

Business Review

During the Year, the gold market was buoyant, fueled by the intense global geopolitical tensions, the Fed commencing its rate cut cycle and the continuous gold purchases by global central banks. The Company seized the favorable opportunities of high gold price and supporting policies to promote key work such as safety production, project construction, investment and mergers and acquisitions, as well as capital operation, to achieve “double increase and double excellence (雙增雙優)” in production and performance.

New breakthroughs in production and efficiency through optimization of production organization and management. Through the scientific formulation of production plans, the decomposition and implementation of indicators, the rational allocation of human resources and the optimization of incentive assessment, the Group has promoted quality improvement and production increase during the Year. Enhancements in quality and efficiency were achieved. During the year, the gold production reached 26,449.73 kg, and total profit before tax reached approximately RMB2.229 billion, representing significant growth in all main indicators and a record high in recent years.

Strengthened resource expansion and accelerated exploration and achieved new breakthroughs in exploration and mergers and acquisitions. Adhering to the dual strategy of investment and acquisitions alongside exploration and resource expansion, the Group accelerated the pace of its internationalisation strategy by investing in and acquiring two major overseas projects, namely Delaluobo Mining (德拉羅泊礦業) and Sierra Leone West Gold Mine (塞拉利昂西金), which contributed to the continuous increase in production volume and reserves. At the same time, the Company also made breakthroughs in its gold resources by increasing inputs in prospecting in its existing gold mines. According to the JORC report, the Company had additional gold resources of 261.16 tons, with a total gold resources of 1,446.16 tons, and with recoverable reserves of 517.54 tons as at 31 December 2024.

Enhanced project support through centering around double focus and critical and challenging difficulties. During the Year, the Haiyu Gold Mine* (海域金礦) project progressed smoothly, with the layout of five vertical shafts completed, and the assembly and commissioning of the TBMs completed smoothly and commenced operation at the same time. More than 20 key projects, including the expansion of backbone mines and the upgrading of the refinery industry, progressed smoothly. During the year, the Company newly established three provincial-level specialized, sophisticated, special and new enterprises and one provincial-level innovative enterprise, obtained 10 scientific and technological awards at and above the provincial and ministerial level, was granted 175 patents and applied for 211 patents.

Expanding into capital markets and significant efficiency gains in internal management. During the Year, the Group successfully completed the placing of 132 million H Shares with approximately HK\$1.74 billion raised, which provided effective funding support for the Company's major projects and overseas mergers and acquisitions. In terms of internal management, the Company focused on management initiatives such as the "Five Excellence Competition (五優競賽)" and "Six Reductions and Six Guarantees (六降六保)" to improve the cost control system and continued to promote cost reductions and efficiency improvement for all employees and all processes.

Positive development momentum through upholding bottom line of safety and environmental protection in production. During the year, the Company invested RMB157 million in safety projects, focused on advancing the safety construction of "Three-oriented (三化)" and the construction of the safety information management platform, ensuring sustained and stable safety production condition. The Company invested approximately RMB27 million in environmental protection to comprehensively promote the construction of green mines, improve resource conservation and intensify utilization, ensuring the full accomplishment of various environmental protection objectives.

Financial Analysis

Revenue

For the Year, the Group's revenue was approximately RMB11,550,680,000 (2023: RMB8,423,618,000), representing an increase of approximately 37.12% (2023: an increase of approximately 6.82%) as compared to the previous year. The increase in revenue was mainly due to the rise in gold prices and increased sales volume.

Cost of sales

For the Year, the Group's cost of sales was approximately RMB7,028,727,000 (2023: RMB5,053,333,000), representing an increase of approximately 39.09% (2023: a decrease of approximately 3.37%) as compared to the previous year. The increase in cost of sales was mainly due to the increase in gold sales of the Group.

Gross profit and gross profit margin

During the Year, the Group's gross profit was approximately RMB4,521,953,000 (2023: RMB3,370,285,000), representing an increase of approximately 34.17% (2023: an increase of approximately 26.90%) as compared to the previous year. The increase in gross profit was mainly due to the rise in gold prices and the increase in gold sales volume.

During the Year, the Group's gross profit margin was approximately 39.15% (2023: 40.01%), representing a decrease of approximately 0.86% (2023: an increase of approximately 6.33%) as compared to the previous year.

Other income and gains

During the Year, the Group's other income and gains were approximately RMB582,509,000 (2023: RMB526,967,000), representing an increase of approximately 10.54% (2023: a decrease of approximately 6.88%) as compared to the previous year. The increase in other income and gains was mainly due to the increase in settlement gains from financial instruments for the Year.

Selling and distribution expenses

For the Year, the Group's selling and distribution expenses were approximately RMB48,470,000 (2023: RMB31,401,000), representing an increase of approximately 54.36% (2023: a decrease of approximately 5.21%) as compared to the previous year. The increase in selling and distribution expenses was mainly due to the increase in gold production and sales volume for the Year, resulting in an increase in related transaction costs.

Administrative and other expenses

The Group's administrative and other operating expenses were approximately RMB2,292,696,000 during the Year (2023: RMB2,132,632,000), representing an increase of approximately 7.51% (2023: an increase of approximately 11.44%) as compared to the previous year. The increase in administrative and other expenses was mainly due to the cost of project mergers and acquisitions, as well as the increase in administrative expenses for newly acquired enterprises.

Finance costs

For the Year, the Group's finance costs were approximately RMB544,594,000 (2023: RMB607,694,000), representing a decrease of approximately 10.38% (2023: an increase of approximately 13.97%) as compared to the previous year. The decrease in financial costs was mainly due to the decrease in weighted average financing interest rate for the Year.

Income tax expenses

For the Year, the Group's income tax expenses increased by approximately RMB89,448,000 as compared to the previous year. The increase was primarily due to the increase in pre-tax profit for the Year. During the Year, corporate income tax within the territory of the PRC has been provided at a rate of 25% (2023: 25%) on the taxable income (except for the high and new technology enterprises and western-region-development subsidiaries of the Group in China, 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 Group did not incur any Hong Kong profits tax during the Year. The effective tax rate of the Group is 16.94% during the Year (2023: 25.57%).

Profit attributable to owners of the parent

For the Year, the Group's profit attributable to owners of the parent was approximately RMB1,450,799,000, representing an increase of approximately 111.35% (2023: an increase of approximately 70.77%) from approximately RMB686,430,000 in 2023, which was mainly due to the rise in gold prices and the increase in production and sales volume.

Liquidity and capital resources

The working capital and funds required by the Group are mainly derived from its cash flows generated from operations and borrowings while the Group's capital for operating activities are mainly utilized to support acquisition matters, daily operating capital expenses, and repayment of loans.

Cash flows and working capital

The Group's cash and cash equivalents have decreased from approximately RMB2,916,103,000 as at 31 December 2023 to approximately RMB2,029,825,000 as at 31 December 2024, which was mainly due to partial debt repayment at the end of the Year.

As at 31 December 2024, the cash and cash equivalents of the Group denominated in Hong Kong dollars amounted to approximately RMB15,437,000 (2023: RMB22,697,000), those denominated in US dollars amounted to approximately RMB266,453,000 (2023: RMB159,693,000), those denominated in Australian dollars amounted to approximately RMB28,714,000 (2023: RMB21,352,000), those denominated in Great Britain Pounds amounted to approximately RMB278,872,000 (2023: RMB4,491,000), those denominated in Canadian dollars amounted to approximately RMB28,962,000 (2023: RMB13,042,000), those denominated in Sierra Leonean Leone amounted to approximately RMB338,000 (2023: nil), those denominated in CFA Franc BEAC amounted to approximately RMB48,548,000 (2023: nil), and those denominated in European dollars amounted to approximately RMB5,404,000 (2023: nil). All other cash and cash equivalents held by the Group are denominated in RMB.

Borrowings

As at 31 December 2024, the Group had outstanding bank loans, other borrowings and gold from gold leasing business (namely, the funds that were raised by the Group through leasing gold from bank and subsequently sold through the SGE) of approximately RMB12,984,719,000 (2023: RMB9,767,317,000), of which approximately RMB7,573,647,000 (2023: RMB4,824,267,000) shall be repaid within one year, approximately RMB3,361,037,000 (2023: RMB4,643,050,000) shall be repaid within two to five years and approximately RMB2,050,035 (2023: RMB300,000) shall be repaid over five years. As at 31 December 2024, the Group had outstanding corporate bonds of approximately RMB1,999,184,000, which shall be repaid in one year (2023: RMB2,999,486,000) and approximately RMB4,996,792,000 (2023: RMB4,996,288,000), which shall be repaid within two to five years.

As at 31 December 2024, all of the interest-bearing bank and other borrowings of the Group were denominated in RMB (2023: there were RMB672,857,000 of bank loans of the Group denominated in US dollars, RMB699,783,000 of bank loans of the Group denominated in Hong Kong dollars, and the remaining interest-bearing bank and other borrowings of the Group were denominated in RMB). As at 31 December 2024, approximately 64.51% of the interest-bearing bank loans and other borrowings held by the Group were at fixed rates.

Gearing ratio

The Group monitors capital by gearing ratio, which is net debt divided by the total equity plus net debt. Net debt includes interest-bearing bank and other borrowings, corporate bonds and financial liabilities arising from the gold leasing business less cash and cash equivalents. As at 31 December 2024, the gearing ratio of the Group was 43.4% (31 December 2023: 42.1%). The increase in gearing ratio was mainly due to the increase in debt scale.

Contingent liabilities

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

Market risks

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

Gold prices and other commodities prices risks

The Group's exposure to price risk is primarily due to the fluctuations in the market price of gold, which can affect the Group's operational results.

During the Year, the Group has, under certain circumstances, entered into AU (T+D) contracts, which are 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 Year, the Group has not entered into any long-term AU (T+D) contract framework.

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

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the cash and bank deposits held by the Group, interest-bearing bank and other borrowings and corporate bonds. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank and other borrowings and corporate bonds by placing them into appropriate short-term deposits at fixed or floating rate of interest and at the same time by borrowing loans at a mixture of fixed or floating rates of interest.

The Group had not used any interest rate swaps to hedge its exposure to interest rate risk during the Year.

Foreign exchange risk

Most of the Group's transactions were carried out in RMB. The fluctuation in the RMB/US dollars exchange rate may affect international and local gold prices, which may therefore affect the Group's operating results. Fluctuations in the exchange rate may have an adverse effect on net assets of, the earnings of and any dividend declared by the Group in Hong Kong dollars.

Risk of change in industry policies

An array of laws, regulations and rules on the gold mining and refinery industry in China constitutes the external regulatory and legal environment for the Company's ordinary and continuous operation and have great influence on the Company's business development, production and operation, domestic and foreign trade, and capital investment etc. Changes in relevant industry policies may have corresponding effects on the Company's production and operation.

Pledge

As at 31 December 2024, except RMB120,000,000 (2023: RMB120,000,000) of discounted bills that were pledged for borrowings from People's Bank of China, the Group has not pledged any assets.

BUSINESS PROSPECTS

In 2025, amid the rising competition from major economies and continuous escalating geopolitical risks, with major adjustments in the global political and economic landscapes, gold is expected to continue demonstrating strong asset allocation appeal. The Company will be committed to its internationalization strategy, solidify the four key supports of "resource, talent, technology and management", and drive capacity growth, incremental development, and benefit enhancement to new heights.

Focusing on production and stabilizing supports to achieve breakthroughs in core business objectives. In 2025, the Group will focus on the operating targets set by the Board, strengthen the production organization, and make effort to promote the production continuity and extension in key mining areas. Centering on aspects such as the optimization of mining processes, the improvement of beneficiation technology, and comprehensive utilization of tailings, we will speed up the mechanized, automated, informatized and intelligent construction of mines to explore the potential for capacity expansion and production increase.

Focusing on development and expanding capacity to achieve resource growth target. The Group will 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 deep areas of key mines. The Group will continuously focus on global investment layout, expand and optimize resource and project reserves and 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 high-quality resources and continue to strengthen its resource foundation, with an annual planned investment of RMB142 million in mining exploration.

Securing projects and maintaining potential to achieve key construction targets. The Group will strengthen the allocation of professionals and pay close attention to key issues to focus on construction of key projects in order to strive for a significant breakthrough of major new projects, focus on the capacity enhancement of new projects, and focus on in-depth exploration of 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), with an aim to lay a solid foundation for long-term development.

Paying attention to the sources and controlling costs to achieve the target of refined operations. The Group will stick to the goals of reducing costs, reducing consumption and increasing efficiency, as well as increasing production, increasing revenue and increasing profits, and focus on strengthening the refined management and control of the entire process and cycle of production operations to leverage its low-cost advantage. The Group will realize the cost reduction and efficiency enhancement work of “all employees, all factors and all processes” through technology innovation, process optimization, process management, detail control, centralized procurement and other methods.

Focusing on stability and setting strict bottom lines to achieve the target of harmonious development. The Group will implement the ESG concept. The Group will adhere to the principle of “safety, green, innovation and low carbon” and conduct safety and environmental hazard identification and remediation measures to improve the safety and environmental protection level on an ongoing basis. The Group will adhere to operate and manage strictly comply with laws and regulations, as well as continuously improving its corporate governance structure and system. The Group will also actively participate in local charity activities, and share corporate development outcomes with investors.

CONNECTED TRANSACTIONS

For details of connected transactions for the Year of the Company, please refer to the annual report for the year ended 31 December 2024 to be published by the Company and the announcements of the Company dated 22 March 2024, 23 August 2024, 9 October 2024, 25 October 2024, 13 December 2024 and 31 December 2024. Relevant announcements were published on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

SIGNIFICANT EVENTS

1. Convening of the General Meetings and Class Meetings

(1) Convening of the 2024 first extraordinary general meeting

The Company convened the 2024 first extraordinary general meeting on 31 January 2024, at which the following resolutions, among other things, were considered and approved:

- (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 Shandong Zhaojin Group Company Limited* (山東招金集團有限公司) (“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 and the website of the Company at www.zhaojin.com.cn.

(2) Convening of the 2023 annual general meeting and class meetings

The Company convened the 2023 annual general meeting on 3 June 2024, at which the following resolutions, among other things, were considered and approved:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) the proposed registration and issuance of super short-term bonds of not more than RMB10.0 billion in the PRC;
- (e) the proposed registration and issuance of the corporate bonds of not more than RMB6.0 billion in the PRC; and
- (f) 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 at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

The Company convened the Domestic Share Class Meeting and H Share Class Meeting on 3 June 2024, at which the following resolutions, among other things, were considered and approved, respectively:

- (a) 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
- (b) 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 supplemental notices 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 and the website of the Company at www.zhaojin.com.cn.

(3) Convening of the 2024 second extraordinary general meeting and class meeting

The Company convened the 2024 second extraordinary general meeting on 9 September 2024, at which the following resolutions, among other things, were considered and approved:

- (a) the proposed update of the general mandate granted to the Board to repurchase H Shares, to exercise the Company's power to repurchase H Shares, the number of H Shares repurchased shall not exceed 10% of the total issued H Shares (excluding any treasury shares) as of the date of passing such resolution;
- (b) the proposed update of the general mandate granted to the Board to issue Domestic Shares and H Shares, to exercise the powers of the Company to allot, issue and/or deal with (whether or not based on options or other reasons, including the sale and transfer of treasury shares) Domestic Shares and/or H Shares, with the number of Domestic Shares and/or H Shares involved not exceeding 20% of the respective total number of Domestic Shares and H Shares issued by the Company (excluding any treasury Shares) as of the date of passing such resolution;
- (c) approving the proposed amendments to the Articles of Association; and
- (d) approving the proposed 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 23 August 2024 and the voting results announcement dated 9 September 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

The Company convened the Domestic Share Class Meeting and H Share Class Meeting on 9 September 2024, at which the following resolution, among other things, were considered and approved, respectively:

- (a) the proposed update of the general mandate granted to the Board to repurchase H Shares, to exercise the Company's power to repurchase H Shares, the number of H Shares repurchased shall not exceed 10% of the total issued H Shares (excluding any Treasury Shares) on the date of passing such resolution.

Relevant details were set out in the circular and notice of the Company both dated 23 August 2024 and the voting results announcement dated 9 September 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(4) Convening of the 2024 third extraordinary general meeting

The Company convened the 2024 third extraordinary general meeting (the “2024 third EGM”) on 18 November 2024 (a) to approve, confirm and ratify the Share Transfer Agreement (as defined below) and the transactions contemplated thereunder contained in the circular of the Company dated 31 October 2024; and (b) to appoint Mr. Wang Peiwu as an executive Director of the seventh session of the Board.

Relevant details were set out in the circular and notice of the Company both dated 31 October 2024, and the voting results announcement dated 18 November 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

2. Changes in Composition of the Board

The Company held the 22nd meeting of the seventh session of the Board on 25 October 2024. The Board has agreed that Mr. Chen Lunan resigned the executive Director of the seventh session of the Board, the member of the Nomination and Remuneration Committee (the “Nomination and Remuneration Committee”) due to re-allocation of his work arrangement. The above resignation took effect from 25 October 2024. Mr. Chen Lunan confirmed that he had no disagreement with the Board and there was no matter relating to his resignation that needed to be brought to the attention of the Shareholders and the Stock Exchange.

According to the provisions of the Articles of Association, the Board has appointed Mr. Wang Peiwu as an executive Director of the seventh session of the Board and a member of the Nomination and Remuneration Committee. The above appointment took effect from 25 October 2024. At the 2024 third EGM held by Company on 18 November 2024, Mr. Wang Peiwu was elected by the Shareholders as an executive Director of the seventh session of the Board.

The details of changes in the composition of the Board were set out in the announcement of the Company dated 25 October 2024, the circular and notice of the Company both dated 31 October 2024 and the voting results announcement dated 18 November 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

3. Changes in Senior Management

The Company held the 22nd meeting of the seventh session of the Board on 25 October 2024, at which the Board has agreed that Mr. Chen Lunan resigned from his position as the vice president of the Company due to re-allocation of his work arrangement. The resignations of Mr. Chen Lunan took effect from 25 October 2024. Mr. Chen Lunan had no disagreement with the Board. In the meantime, as nominated by the major shareholders of the Company, Gold Mountains (H.K.) International Mining Co., Ltd, the Board agreed to appoint Mr. Wang Peiwu as the vice president of the Company. His appointment took effect from 25 October 2024.

The details of changes in senior management were set out in the announcement of the Company dated 25 October 2024, the circular and notice of the Company both dated 31 October 2024 and the voting results announcement dated 18 November 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

4. Connected Transactions and Continuing Connected Transactions

(1) 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 ended/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 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 and the website of the Company at www.zhaojin.com.cn.

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

On 23 August 2024, Shandong Zhaojin Geological Prospecting Co., Ltd* (山東招金地質勘查有限公司) (“Zhaojin Geological Prospecting”) and Laizhou Ruihai Mining Industry Company Limited* (萊州市瑞海礦業有限公司) (“Ruihai Mining”) 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 which Zhaojin Geological Prospecting and/or its subsidiaries shall provide underground hydrogeology and water control technical services to Ruihai Mining for a term from 1 January 2024 to 31 December 2026. Zhaojin Geological Prospecting 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 ended/ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

Zhaojin Geological Prospecting is a wholly-owned subsidiary of the Company. Ruihai Mining is wholly owned by Shandong Ruiyin Mining Industry Company Limited* (山東瑞銀礦業發展有限公司) (“Shandong Ruiyin”), 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) (“Zijin Investment”)) 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 announcements of the Company dated 23 August 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(3) Establishment of a joint venture

On 9 October 2024, the Company, Zhaojin Group, Zijin Investment, and Ningbo Meishan Bonded Port Ransheng Shengtong Investment Partnership (Limited Partnership)* (寧波梅山保稅港區冉盛盛通投資合夥企業(有限合夥)) (“Ningbo Ransheng Shengtong”) entered into the establishment agreement for the joint establishment of Shandong Zhaojin Ruining Mining Co., Ltd.* (山東招金瑞寧礦業有限公司) (“Ruining Mining”) (the “Establishment Agreement”). Pursuant to the Establishment Agreement, the Company, Zhaojin Group, Zijin Mining Investment (Shanghai) Co., Ltd.* (紫金礦業投資(上海)有限公司) and Ningbo Ransheng Shengtong each shall contribute RMB220 million, RMB400 million, RMB100 million and RMB180 million, accounting for 24.44%, 44.45%, 11.11% and 20%, respectively, of the registered capital of Ruining Mining.

Zhaojin Group is a controlling shareholder of the Company, and Zijin Mining Investment (Shanghai) Co., Ltd.* (紫金礦業投資(上海)有限公司) is a wholly-owned subsidiary of Zijin Mining, a substantial shareholder of the Company. Accordingly, under Chapter 14A of the Listing Rules, each of Zhaojin Group and Zijin Mining Investment (Shanghai) Co., Ltd.* (紫金礦業投資(上海)有限公司) is a connected person of the Company, and thus the joint establishment of Ruining Mining by the Company, Zhaojin Group, Zijin Mining Investment (Shanghai) Co., Ltd.* (紫金礦業投資(上海)有限公司) and Ningbo Ransheng Shengtong constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios in respect thereof calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1%, but all of such ratios are less than 5%, the transaction is therefore subject to the reporting and announcement requirements, but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Such details have been disclosed in the announcement of the Company dated 9 October 2024 which was published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(4) Assignment of listed securities

On 25 October 2024 (after trading hours), Sparky International Company Limited (斯派柯國際有限公司) (“SIC”) entered into the share transfer agreement (the “Share Transfer Agreement”) with Finance Company, pursuant to which SIC has conditionally agreed to purchase, and Finance Company has conditionally agreed to transfer 68,712,000 H shares of Weihai City Commercial Bank Co., Ltd.* (威海市商業銀行股份有限公司) (“Weihai Bank”) (the “Transaction”), representing approximately 1.15% of the then total issued share capital of Weihai Bank to SIC at a consideration of HK\$180,712,560.

Finance Company is a non-wholly-owned subsidiary of the Company and is directly held as to 51% by the Company, as to 40% by Zhaojin Group, and as to 9% by Shandong Zhaojin Group Zhaoyuan Gold Smelting Co., Ltd.* (山東招金集團招遠黃金冶煉有限公司), a wholly-owned subsidiary of Zhaojin Group. Accordingly, Finance Company is a connected subsidiary of the Company and the Transaction constitutes a connected transaction of the Company pursuant to Rule 14A.16 of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Transaction exceeds 5% but are all less than 25%, the Transaction constitutes discloseable transaction and connected transaction of the Company subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The 2024 third EGM convened on 18 November 2024 approved, confirmed and ratified the aforesaid Share Transfer Agreement and the Transaction to be contemplated thereunder.

Such details have been disclosed in the announcement of the Company dated 25 October 2024, the circular and notice dated 31 October 2024 and the announcement of voting results dated 18 November 2024 which were published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(5) *Entering into of the Finished Gold Sales Framework Agreement*

On 13 December 2024, the Company entered into the finished gold sales framework agreement (the "Finished Gold Sales Framework Agreement") with Zhaojin Gold (Hong Kong) Limited ("Zhaojin Jinye"), pursuant to which the Group has agreed to sell finished gold to Zhaojin Jinye for a term from 13 December 2024 to 31 December 2026. The Group expects that the annual caps for the sales of Finished Gold to Zhaojin Jinye under the Finished Gold Sales Framework Agreement for the period from the date of the Finished Gold Sales Framework Agreement to 31 December 2024, as well as the years ending 31 December 2025 and 31 December 2026 will not exceed RMB40 million, RMB150 million and RMB250 million, respectively.

Zhaojin Jinye is a wholly-owned subsidiary of Shandong Zhaojin Gold and Silver Refinery Company Limited* (山東招金金銀精煉有限公司) ("Zhaojin Refinery"), which is owned as to 80.5% by Zhaojin Group. Accordingly, Zhaojin Jinye is a connected person of the Company under Rule 14A.07 of the Listing Rules. The transactions contemplated under the Finished Gold Sales 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 Finished Gold Sales Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Finished Gold Sales 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.

Such details have been disclosed in the announcement of the Company dated 13 December 2024 which was published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

(6) *Entering into of the Water Treatment Engineering Services Agreement and the Exploration, Environmental Governance and Related Technical Services Framework Agreement*

On 31 December 2024, the Company and Shandong Zhaojin Motian Co., Ltd.* (山東招金膜天有限責任公司) (“Zhaojin Motian”) entered into the water treatment engineering services agreement (the “Water Treatment Engineering Services Agreement”) in relation to the provision of membrane assembly parts and equipment, water treatment engineering services and steel structure engineering services by Zhaojin Motian and its subsidiaries to the Group from 1 January 2025 to 31 December 2027. The Company expects that the annual caps for the transactions contemplated under the Water Treatment Engineering Services Agreement for the years ending 31 December 2025, 31 December 2026 and 31 December 2027 will not exceed RMB207 million, RMB50 million and RMB50 million, respectively.

On 31 December 2024, the Company entered into the exploration, environmental governance and related technical services framework agreement (the “Exploration, Environmental Governance and Related Technical Services Framework Agreement”) with the Third Institute of Geological and Mineral Exploration of Gansu Provincial Bureau of Geology and Mineral Resources* (甘肅省地質礦產勘查開發局第三地質礦產勘查院) (“No. 3 Exploration Institute”) in relation to the provision of exploration, environmental governance and related technical services by No. 3 Exploration Institute and its subsidiaries to the Group during the period from 1 January 2025 to 31 December 2027. The Company expects that the annual caps for the transactions contemplated under the Exploration, Environmental Governance and Related Technical Services Framework Agreement for the years ending 31 December 2025, 31 December 2026 and 31 December 2027 will not exceed RMB49 million, RMB37 million and RMB34 million, respectively.

Zhaojin Motian is a subsidiary of Zhaojin Group. Therefore, Zhaojin Motian is a connected person of the Company according to the Rule 14A.07 of the Listing Rules. In addition, No. 3 Exploration Institute holds 30%, 34% and 30% of the shares in Gansu Province Zaozigou Gold Mine Company Limited* (甘肅省早子溝金礦有限責任公司), Gansu Xinrui Mining Company Limited* (甘肅鑫瑞礦業有限公司) and Gansu Zhaojin Precious Metal Smelting Company Limited* (甘肅招金貴金屬冶煉有限公司), which are subsidiaries of the Company, respectively. Therefore, No. 3 Exploration Institute is a connected person of the Company according to the Rule 14A.07 of the Listing Rules. Accordingly, the Water Treatment Engineering Services Agreement and the Exploration, Environmental Governance and Related Technical Services Framework Agreement and the transactions contemplated thereunder 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) in respect of each of the Water Treatment Engineering Services Agreement and the Exploration, Environmental Governance and Related Technical Services Framework Agreement is higher than 0.1% but less than 5%, the transactions contemplated under the Water Treatment Engineering Services Agreement and the Exploration, Environmental Governance and Related Technical Services Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Such details have been disclosed in the announcement of the Company dated 31 December 2024 which was published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

5. Completion of the 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 including UBS AG Hong Kong Branch, Huatai Financial Holdings (Hong Kong) Limited and JA Securities Limited, pursuant to which the Company has agreed to issue up to 132,000,000 new H Shares (the nominal value of RMB1.00 per Share) under general mandate (the "Placing Share"), and the joint underwriters have agreed to act as the placing agents of the Company on a several basis, to procure 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 for the Placing Shares at the placing price of HK\$13.20 per Placing Share upon the terms and subject to the conditions set out in the Placing Agreement (the "Placing").

Completion of the Placing took place on 22 April 2024. The gross proceeds from the Placing amounted to approximately HK\$1,742.4 million and the net proceeds (after deducting the commissions and related expenses) from the Placing amounted to 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 considered 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 has also diversified 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.

Such details have been disclosed in the announcements of the Company dated 14 April 2024 and 22 April 2024 which were published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

6. 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 the fully-paid ordinary shares in the share capital of Tietto Minerals Limited ABN 53 143 493 118 ("Tietto") (the "Target Shares") (including Target Shares that are issued during the offer period whether due to the conversion of Tietto options, performance rights or otherwise, pursuant to the bidder's statement), not currently held by the Company, at an offer price of AUD0.58 per Tietto 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 best and final and will not be 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 is 90.72%. Accordingly, Zhaojin Capital has commenced to conduct a compulsory acquisition on the remaining Target Shares which have not been accepted into the offer. Tietto had been 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 aforesaid Acquisition exceed 5% but are all less than 25%, the aforesaid 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.

Such details have been disclosed 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 which were published on the website of Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

7. 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 and the website of the Company at 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 and the website of the Company at 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 and the website of the Company at 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 and the website of the Company at www.zhaojin.com.cn.

- (5) 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 and the website of the Company at www.zhaojin.com.cn.

- (6) On 12 November 2024, the Company issued the sixth tranche of super short-term bonds for the year of 2024 with a par value of RMB1.0 billion for a term of 270 days and bearing interest rate of 2.05% 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 11 November 2024 and 13 November 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

- (7) On 17 December 2024, the Company issued the seventh tranche of super short-term bonds for the year of 2024 with a par value of RMB0.7 billion for a term of 90 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 16 December 2024 and 19 December 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

8. 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 and the website of the Company at 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 and the website of the Company at www.zhaojin.com.cn.

- (3) On 21 August 2024, the Company issued the third 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+N(3) years and bearing interest rate of 2.27% 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 20 August 2024 and 23 August 2024 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

DETAILS OF SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR END

1. Issuance of Super Short-term Bonds

On 20 January 2025, the Company issued the first tranche of super short-term bond for the year of 2025 with a par value of RMB1 billion for a term of 270 days and bearing interest at a rate of 1.91% 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 17 January 2025 and 21 January 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

On 25 February 2025, the Company issued the second tranche of super short-term bond for the year of 2025 with a par value of RMB2 billion for a term of 269 days and bearing interest at a rate of 2.05% 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 24 February 2025 and 26 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

2. Convening the 2025 first extraordinary general meeting

The Company held the 2025 first extraordinary general meeting on 26 February 2024, at which the following proposals, among other things, were reviewed and passed:

- (1) To consider and approve the following candidates as Directors of the eighth session of the Board with a term of three years commencing from the conclusion of the extraordinary general meeting:
 - (a) to re-elect Mr. Jiang Guipeng as an executive Director;
 - (b) to re-elect Mr. Duan Lei as an executive Director;
 - (c) to re-elect Mr. Wang Ligang as an executive Director;
 - (d) to re-elect Mr. Wang Peiwu as an executive Director;
 - (e) to re-elect Mr. Long Yi as a non-executive Director;
 - (f) to re-elect Mr. Li Guanghui as a non-executive Director;
 - (g) to re-elect Mr. Luan Wenjing as a non-executive Director;
 - (h) to re-elect Ms. Chen Jinrong, who has served more than nine years since April 2007, as an independent non-executive Director;
 - (i) to re-elect Mr. Choy Sze Chung Jojo, who has served more than nine years since May 2007, as an independent non-executive Director;
 - (j) to re-elect Mr. Wei Junhao, who has served more than nine years since February 2016, as an independent non-executive Director;
 - (k) to re-elect Mr. Shen Shifu, who has served more than nine years since February 2016, as an independent non-executive Director;

- (2) To consider and approve the following candidates as the Shareholder representative supervisors of the eighth session of the Supervisory Committee of the Company with a term of three years commencing from the conclusion of the EGM:
- (a) to re-elect Mr. Leng Haixiang as a Shareholder representative supervisor;
 - (b) to re-elect Mr. Hu Jin as a Shareholder representative supervisor;
- (3) To approve the remuneration packages for Directors of the eighth session of the Board and Supervisors of the eighth session of the Supervisory Committee of the Company and the entering into of written contracts with members of the Board and the Supervisory Committee in respect of their remuneration packages;
- (4) To consider and approve the provision of guarantees for subsidiaries with debt-to-equity ratio of over 70%, including:
- (a) provision of guarantee for the financing of 7 subsidiaries of the Company, including Gansu Zhaojin Precious Metal Smelting Company Limited* (甘肅招金貴金屬冶煉有限公司), Liaoning Zhaojin Baiyun Gold Mining Company Limited* (遼寧招金白雲黃金礦業有限公司) and Liangdang Zhaojin Mining Industry Company Limited* (兩當縣招金礦業有限公司);
 - (b) provision of guarantee for the supply chain finance business proposed to be conducted by 10 subsidiaries of the Company, including Zhaoyuan Jintongling Mining Industry Company Limited* (招遠市金亨嶺礦業有限公司), Xinjiang Xingta Mining Company Limited* (新疆星塔礦業有限公司) and Xinjiang Xinhui Copper Company Limited* (新疆鑫慧銅業有限公司); and
- (5) To consider and approve the proposed registration and issuance of perpetual medium-term notes of up to RMB6 billion in the PRC.

Relevant details were set out in the circular and notice of the Company dated 10 February 2025 and the voting results announcement dated 26 February 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

3. Capital increase in Shandong Ruiyin

On 21 March 2025 (after trading hours), the Company, Zijin Investment and Shandong Ruiyin entered into a capital increase agreement (the “Capital Increase Agreement”), pursuant to which the Company and Zijin Investment shall make capital contribution in a total amount of approximately RMB689.07 million to Shandong Ruiyin in proportion to their respective existing shareholding percentages in Shandong Ruiyin (under which the Company shall contribute approximately RMB482.35 million, and Zijin Investment shall contribute approximately RMB206.72 million). Upon completion of the above capital increase, the registered capital of Shandong Ruiyin will increase from approximately RMB1,441.17 million to approximately RMB2,130.24 million, while the Company and Zijin Investment will continue to hold 70% and 30% of the equity interest in Shandong Ruiyin, respectively.

Shandong Ruiyin is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Investment) as to 30%. Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, (i) Zijin Investment, being an indirect wholly-owned subsidiary of Zijin Mining, is a connected person of the Company; and (ii) Shandong Ruiyin is a connected subsidiary of the Company and thus a connected person of the Company. Accordingly, the transactions contemplated under the Capital Increase Agreement constitute 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 transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Capital Increase Agreement shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Relevant details were set out in the announcements of the Company dated 21 March 2025 published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn.

PRE-EMPTIVE RIGHTS

There is no provision or regulation for pre-emptive rights under the Company's articles of association or the PRC laws which requires the Company to issue new Shares to the existing Shareholders according to their respective proportions of shareholding.

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares). The Company did not hold any treasury shares as at the end of the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "Code") during the year ended 31 December 2024. No Director is aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the Code by the Company at any time during the Year.

For details of the corporate governance report, please refer to the annual report to be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com.cn in due course.

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

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

The Board is pleased to confirm that, after making specific enquiries with all Directors and supervisors, all Directors and supervisors have fully complied with the standards required according to the Model Code set out in Appendix C3 to the Listing Rules during the Year.

AUDIT COMMITTEE

The Audit Committee of the eighth session of the Board of the Company comprises three independent non-executive Directors, namely Ms. Chen Jinrong, Mr. Wei Junhao and Mr. Choy Sze Chung Jojo. The chairman of the Audit Committee is Ms. Chen Jinrong.

The Audit Committee has reviewed the Group’s audited consolidated financial statements for the Year which have been agreed by the Company’s auditor, and is of the view that the Group’s audited consolidated financial statements for the Year are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The Audit Committee has reviewed the annual results of the Company for the Year.

CONFIRMATION OF INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company confirmed that it had received the annual confirmation of independence from each of the independent non-executive Directors in compliance with Rule 3.13 of the Listing Rules. The Company is of the view that the independent non-executive Directors remain independent during the Year in accordance with the relevant requirements of Rule 3.13 of the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the 2024 AGM, the register of members will be closed from 27 May 2025 to 2 June 2025, both days inclusive, during which no transfer of Shares will be registered. If the resolution in relation to the distribution of final dividend is approved by the Shareholders at the 2024 AGM and in order to determine the Shareholders who are entitled to receive the final dividend for the Year, the register of members will be closed from 6 June 2025 to 10 June 2025, both days inclusive, during which no transfer of Shares will be registered.

To be qualified for attending and voting at the 2024 AGM, the Shareholders whose transfer has not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), or the business address of the Company at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC (for holders of domestic Shares) for registration at or before 4:30 p.m. on Monday, 26 May 2025 (Hong Kong time).

To be entitled to receive the final dividend for the Year, Shareholders whose transfer of Shares have not been registered must lodge all transfer instruments accompanied by the relevant share certificates with the Company's H Shares registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), or the business address of the Company in the PRC at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC (for holders of domestic Shares) for registration at or before 4:30 p.m. on Thursday, 5 June 2025 (Hong Kong time).

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2024 AGM is expected to be held on Monday, 2 June 2025. The notice of 2024 AGM and the annual report for the Year will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhaojin.com in due course.

Notes:

1. This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.zhaojin.com.cn).
2. As at the date of publication of this announcement, the members of the Board include: executive Directors: Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang and Mr. Wang Peiwu; non-executive Directors: Mr. Long Yi, Mr. Li Guanghui and Mr. Luan Wenjing; independent non-executive Directors: Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu.

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

Zhaoyuan, the PRC, 21 March 2025

* *For identification purpose only*