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淮北綠金產業投資股份有限公司
(Huaibei GreenGold Industry Investment Co., Ltd.*)
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 2450)

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

FINANCIAL HIGHLIGHTS

- Revenue amounted to RMB236.2 million, representing a decrease of 18.7% as compared to RMB290.6 million in 2023.
- Loss and total comprehensive loss for the year attributable to equity shareholders of the Company amounted to RMB22.0 million, representing a decrease of 158.7% as compared to profit and total comprehensive income of RMB37.5 million in 2023.
- Gross profit margin amounted to 35%, representing a decrease of 8 percentage points as compared to 43% in 2023.
- Basic loss per share was RMB0.08, representing a decrease of RMB0.22 as compared to basic earnings per share of RMB0.14 in 2023.

The board (the “**Board**”) of directors (the “**Directors**”) of Huaibei GreenGold Industry Investment Co., Ltd.* (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the year ended 31 December 2024 (the “**Reporting Year**”), together with the comparative figures for the year ended 31 December 2023.

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

(Expressed in Renminbi (“RMB”))

		2024	2023
	Note	RMB'000	RMB'000
Revenue	4	236,168	290,622
Cost of sales		<u>(152,412)</u>	<u>(166,310)</u>
Gross profit		83,756	124,312
Other income		7,548	18,027
Administrative expenses		(22,647)	(30,647)
Impairment reversal on trade receivables		187	19,196
Impairment loss on property, plant and equipment		<u>(13,352)</u>	<u>—</u>
Profit from operations		55,492	130,888
Finance costs	6(a)	<u>(85,876)</u>	<u>(62,900)</u>
(Loss)/profit before taxation	6	(30,384)	67,988
Income tax	7	<u>(3,486)</u>	<u>(10,064)</u>
(Loss and total comprehensive loss)/profit and total comprehensive income for the year		(33,870)	57,924
Attributable to:			
Equity shareholders of the Company		(21,972)	37,490
Non-controlling interests		<u>(11,898)</u>	<u>20,434</u>
(Loss and total comprehensive loss)/profit and total comprehensive income for the year		(33,870)	57,924
(Loss)/earnings per share			
Basic and diluted	8	<u><u>(0.08)</u></u>	<u><u>0.14</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2024
(Expressed in RMB)

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		1,884,177	1,879,603
Deferred tax assets		—	1,250
Non-current prepayments and deposits	9	7,066	102,156
		1,891,243	1,983,009
Current assets			
Inventories		1,749	3,275
Trade and other receivables	9	28,094	38,311
Advance payments to immediate holding company	10	232,530	—
Income tax recoverable		—	17,748
Cash at bank and on hand		321,426	340,671
		583,799	400,005
Current liabilities			
Trade and other payables	11	229,159	414,168
Contract liabilities		9,061	3,876
Interest-bearing borrowings		128,420	753,869
Current taxation		—	181
		366,640	1,172,094
Net current assets/(liabilities)		217,159	(772,089)
Total assets less current liabilities		2,108,402	1,210,920

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2024 (continued)
(Expressed in RMB)

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Non-current liabilities			
Interest-bearing borrowings		1,231,580	253,500
Long-term payables		125,860	245,031
Deferred tax liabilities		28,073	29,238
Accrual for reclamation costs		19,098	16,804
		<u>1,404,611</u>	<u>544,573</u>
NET ASSETS		<u>703,791</u>	<u>666,347</u>
CAPITAL AND RESERVES			
Share capital		264,000	264,000
Reserves		205,697	212,950
Total equity attributable to equity shareholders of the Company		469,697	476,950
Non-controlling interests		234,094	189,397
TOTAL EQUITY		<u>703,791</u>	<u>666,347</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Huaibei GreenGold Industry Investment Co., Ltd.* (“**the Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 21 December 2018, as a limited liability company. The address of the Company’s registered office is 4/F., Shuangchuang Service Centre, No. 3, Taobo Road, Song Tuan Town, Lieshan District, Huaibei City, Anhui Province, the PRC. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 20 January 2023. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in aggregates production and engineering material processing and sales.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

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

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

The Group is principally engaged in the production and sale of aggregate products and others and concrete products. Further details regarding the Group's principal activities are disclosed in Note 5.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
– Revenue from sales of aggregate products and others	215,545	215,921
– Revenue from sales of concrete products	19,909	74,701
– Income from agency services of concrete products	714	—
	<u>236,168</u>	<u>290,622</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic information is disclosed in Notes 5(a) and 5(c), respectively.

The Group customers base is diversified. No customers contributed over 10% of the total revenue of the Group during the Reporting Year (2023: two).

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	#	82,177
Customer B	#	29,731

Transactions from these customers did not exceed 10% of the Group's revenue in the Reporting Year.

The Group applies the practical expedient in paragraph 121 of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of substantially all the contracts of the Group are within one year or less.

5 SEGMENT REPORTING

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Aggregate products and others: this segment includes production and sale of aggregate products and others;
- Concrete products: this segment includes production, sale and agency services of concrete products to be used in building and road construction.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of deferred tax assets and unallocated head office and corporate assets. Segment liabilities include all liabilities with the exception of current taxation, deferred tax liabilities and unallocated head office and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments.

Segment profit represents revenue less cost of sales, and includes selling expenses and administrative expenses directly attributable to the reporting segments. Items that are not specifically attributable to individual segments, such as unallocated head office and corporate other income and expenses, depreciation and amortisation, interest income and finance costs are not included in segment profit. In addition to receiving segment information concerning segment profit, management is also provided with segment information concerning depreciation, amortisation, interest income and finance costs.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	Year ended 31 December 2024		
	Aggregate products and others RMB'000	Concrete products RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition			
Point in time	<u>215,545</u>	<u>20,623</u>	<u>236,168</u>
Revenue from external customers	<u>215,545</u>	<u>20,623</u>	<u>236,168</u>
Reportable segment revenue	<u>215,545</u>	<u>20,623</u>	<u>236,168</u>
Reportable segment profit/(loss) (adjusted EBITDA)	<u>140,788</u>	<u>(14,599)</u>	<u>126,189</u>
Depreciation and amortisation	(62,196)	(6,348)	(68,544)
Interest income	5,816	374	6,190
Amortisation of unrealised financing income of non-current portion of other receivables	(706)	—	(706)
Finance costs	(85,876)	—	(85,876)
Reportable segment assets	2,248,152	103,303	2,351,455
Reportable segment liabilities	1,719,230	26,901	1,746,131

	Year ended 31 December 2023		
	Aggregate products and others <i>RMB'000</i>	Concrete products <i>RMB'000</i>	Total <i>RMB'000</i>
Disaggregated by timing of revenue recognition			
Point in time	215,921	74,701	290,622
Revenue from external customers	215,921	74,701	290,622
Reportable segment revenue	215,921	74,701	290,622
Reportable segment profit (adjusted EBITDA)	161,311	25,925	187,236
Depreciation and amortisation	(53,658)	(6,961)	(60,619)
Interest income	2,501	151	2,652
Amortisation of unrealised financing income of non-current portion of other receivables	561	–	561
Finance costs	(62,477)	(423)	(62,900)
Reportable segment assets	2,216,650	136,923	2,353,573
Reportable segment liabilities	1,763,259	28,158	1,791,417
(b) Reconciliation of reportable segment revenues and profit or loss, assets and liabilities			
	2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue			
Reportable segment revenue	236,168	290,622	

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit		
Total reportable segment profit	126,189	187,236
Depreciation and amortisation	(68,549)	(60,630)
Interest income	6,434	4,921
Amortisation of unrealised financing income of non-current portion of other receivables, net	(706)	561
Unallocated head office and corporate other income	9	8,546
Unallocated head office and corporate expenses	(7,885)	(9,746)
Finance costs	(85,876)	(62,900)
Consolidated (loss)/profit before taxation	<u>(30,384)</u>	<u>67,988</u>
Assets		
Reportable segment assets	2,351,455	2,353,573
Deferred tax assets	—	1,250
Unallocated head office and corporate assets	123,587	28,191
Consolidated total assets	<u>2,475,042</u>	<u>2,383,104</u>
Liabilities		
Reportable segment liabilities	1,746,131	1,791,417
Elimination of inter-segment payables	(3,016)	(104,519)
	1,743,115	1,686,898
Current taxation	—	181
Deferred tax liabilities	28,073	29,238
Unallocated head office and corporate liabilities	63	350
Consolidated total liabilities	<u>1,771,251</u>	<u>1,716,667</u>

(c) Geographic information

The Group's revenue is generated from sales of aggregate products and others, and sales and agency services of concrete products in the PRC. The Group does not have material assets or operations outside the PRC, no segment analysis based on geographical locations of the customers and assets is presented.

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

(a) Finance costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expenses on:		
– Bank and other borrowings	51,315	38,029
– Cash advances from a related party	16,200	—
– Long-term payables	17,654	24,079
Unwinding interest of provisions	707	792
	<u>85,876</u>	<u>62,900</u>

No borrowing costs have been capitalised during the Reporting Year (2023: Nil).

(b) Staff costs

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, wages and other benefits	20,429	22,591
Contributions to defined contribution retirement scheme (Note)	3,059	1,923
	<u>23,488</u>	<u>24,514</u>

Note: The employees of the Group participate in a defined contribution retirement benefit plan managed by the local government authority in the PRC. Employees are entitled to retirement benefits, calculated based on a percentage of the defined salaries level in the PRC, from the above mentioned retirement plan at their normal retirement age.

In addition, the Company and its subsidiaries have implemented a supplementary defined contribution retirement scheme (the “**PRC Schemes**”) for the certain staffs on the voluntary basis. Under the scheme, the Company and its PRC subsidiaries are required to make contribution to the PRC Schemes at 8% of average basic salaries of the certain employees in the cities where the Group operates.

The Group has no other material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	2024	2023
	RMB'000	RMB'000
Depreciation and amortisation charge		
– owned property, plant and equipment	65,236	57,163
– right-of-use assets	3,313	3,467
Impairment loss on property, plant and equipment	13,352	—
Cost of inventories sold (i)	152,412	166,310

- (i) Cost of inventories includes the following amounts, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

	2024	2023
	RMB'000	RMB'000
Staff costs	15,105	14,174
Depreciation	64,967	55,620

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Taxation in the consolidated statements of profit or loss represent:

	2024	2023
	RMB'000	RMB'000
Current tax		
Under/(over)-provision in respect of prior years	3,401	(6,829)
Deferred tax		
Origination and reversal of temporary differences	85	16,893
	3,486	10,064

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on loss attributable to ordinary equity shareholders of the Company of RMB21,972,000 for the Reporting Year (2023: profit attributable to ordinary equity shareholders of RMB37,490,000) and the weighted average number of ordinary shares in issue during the year of 264,000,000 shares (2023: 260,564,000 shares).

(b) Diluted (loss)/earnings per share

The Company did not have any potential dilutive shares throughout the Reporting Year and 2023. Accordingly, diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

9 TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Current		
Trade and bills receivables, net of loss allowance	23,993	33,875
Other receivables	1,784	1,329
	<hr/>	<hr/>
Financial assets measured at amortised cost	25,777	35,204
VAT recoverables	931	1,196
Deposits and prepayments	1,386	1,911
	<hr/>	<hr/>
	28,094	38,311
	<hr/>	<hr/>
Non-current		
Reclamation deposit	7,066	10,404
Prepayment for engineering equipment	—	91,752
	<hr/>	<hr/>
	7,066	102,156
	<hr/>	<hr/>
	35,610	140,467
	<hr/>	<hr/>

Current portion of trade and bills receivables, prepayments, deposits and other receivables are expected to be recovered within one year.

Ageing analysis

As of the end of the Reporting Year, the ageing analyses of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	14,579	29,599
3 to 6 months	5,822	1,115
6 to 12 months	3,592	3,161
	<u>23,993</u>	<u>33,875</u>

Trade debtors and bills receivables are due within 30–180 days from the date of billing.

10 ADVANCE PAYMENTS TO IMMEDIATE HOLDING COMPANY

The advance payments are unsecured, interest-bearing at 4.3% per annum and repayable within 1 year. The interest rates charged are adjusted based on the benchmark loan prime rate of the People's Bank of China and then market interest rates. The amount of the advance payments has been fully repaid on 8 January 2025. For details, please refer to announcement "Major and Connected Transaction and Past Non-compliance with the Listing Rules" issued on 21 January 2025.

11 TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade and bills payables to		
– related parties	16,523	10,572
– third parties	25,162	26,756
	<u>41,685</u>	37,328
Interest payables	—	1,306
Payables for staff related costs	1,981	2,338
Payables for other taxes	6,007	5,264
Payables for property, plant and equipment	19,203	—
Payables for capital expenditure	133,035	132,984
Distributions/dividends payables	22,268	19,800
Other accruals and payables	4,980	3,048
	<u>229,159</u>	202,068
Financial liabilities measured at amortised cost		
Cash advances from a related party (<i>Note i</i>)	—	212,100
	<u>229,159</u>	<u>414,168</u>

Note:

- (i) Pursuant to a series of agreements among the Company, non-controlling interest holder of Huaibei Tongming Mining Co., Ltd. (“**Tongming Mining**”) and Anhui Leiming Kehua Co., Ltd. (“**Leiming Kehua**”) in 2021, Leiming Kehua intended to acquire 11.9% equity interest in Huaibei Tongming Mining by way of capital injection. The balance represented the down payment made by Leiming Kehua. The valuation of equity interests in Huaibei Tongming Mining was subject to further negotiation among parties.

On 9 August 2024 and 6 December 2024, the Company, Anhui Leiming Blasting Engineering Co., Ltd. (“**Leiming Blasting**”) and Leiming Kehua entered into the Capital Injection and Share Enlargement Supplemental Agreement and a supplemental agreement to the Capital Injection and Share Enlargement Supplement Agreement, pursuant to which Leiming Kehua agreed to make the capital contribution of RMB83,999,600 to acquire 10.2605% equity interest in Huaibei Tongming Mining based on its latest appraised value of its entire equity interest. The Capital Injection was completed during the year. The remaining balance of down payment and a compensation were repaid to Leiming Kehua.

Upon completion of the Capital Injection, the equity interest of the Company in Tongming Mining is diluted from 67% to 60.1255%. Tongming Mining remains a non-wholly owned subsidiary of the Company and the financial results of Tongming Mining continues to be consolidated into the consolidated financial statements of the Group. The effect of Capital Injection is included in changes in equity during the year. For the details, please refer to the announcements issued on 31 October 2024 and 6 December 2024.

In view of the fact that the amount of the difference (i.e. RMB128,100,200) between the original capital contribution and the consideration had been kept by Tongming Mining since 30 April 2021 and Leiming Kehua was unable to utilise such amount when the Tongming Mining Capital Injection Agreements were yet to be completed, Tongming Mining agreed to pay Leiming Kehua an interest compensation in a sum of RMB16,200,000 for the appropriation of such amount. Interest compensation was calculated based on (i) the difference between the original capital contribution and the consideration and (ii) an interest rate of 4.34% per annum for the period from 1 May 2021 to 31 March 2024.

All of the trade and other payables are expected to be settled or recognised as income within one year or repayable on demand.

At the end of the Reporting Year, the ageing analysis of trade payables presented based on the invoice date is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 12 months	33,358	36,884
Over 12 months	8,327	444
	<u>41,685</u>	<u>37,328</u>

12 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year:

	2024 RMB'000	2023 <i>RMB'000</i>
No final dividend proposed after the end of the Reporting Year (2023: RMB0.028 per ordinary share)	<u>—</u>	<u>7,392</u>

The final dividend proposed after the year ended 31 December 2023 was not recognised as a liability at the end of the Reporting Year.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2024 RMB'000	2023 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the Reporting Year, of RMB0.028 per ordinary share (2023: Nil)	<u>7,392</u>	<u>—</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a construction materials provider with state-owned background located in Huaibei City, Anhui Province. The main products of the Group include: aggregate products mined and processed by a subsidiary of the Company, Tongming Mining, in Gaoloushan Mine located in Lieshan District, Huaibei City, and concrete products produced and manufactured by a subsidiary of the Company, Huaibei Liantong Municipal Engineering Co., Ltd., in Xiangshan District, Huaibei City. The Group mainly sells aggregate and concrete products to construction companies, building materials companies and wholesalers. Compared with similar market participants during the Reporting Year, Tongming Mining maintained a stable market share as one of the major construction aggregate producers in the market of Huaibei City and its surrounding cities (including southern Suzhou City, Bozhou City and northern Bengbu City) in terms of sales volume.

BUSINESS REVIEW

Affected by the economic downturn, the prices of aggregate and concrete products further decreased, causing the Group's performance to decline. Faced with numerous difficulties and challenges, the Group has made strenuous efforts to continuously improve its ability to mitigate risks and seize opportunities. It overcame risks and challenges by enhancing product quality and increasing sales channels. The Tongming Mining Phase II is now in operation, and its products are composed of three types of concentrates and four types of general materials, which provide aggregate products for the construction of expressways and high-speed railways. The Company entered into key sales agreements of aggregate products with two companies in June 2024 to sell at least 1.2 million tonnes of aggregate products within one year, and has continued to provide services for contracted clients.

OVERVIEW OF THE CONSTRUCTION MARKET

In 2024, as China continued to implement its new urbanisation and rural revitalisation strategy, infrastructure investment remained stable, especially in the areas of transportation, water conservation and environmental protection. As stated in the *14th Five-Year Plan for Construction Industry Development in Anhui Province* (《安徽省「十四五」建築業發展規劃》), Anhui will promote the high-quality development of the construction industry with a focus on developing green buildings, prefabricated buildings and so on. As a resource-based city, Huaibei is actively promoting economic transformation, developing green buildings and prefabricated buildings, and reducing its reliance on traditional resources. According to the *14th Five-Year Plan for Construction Industry Development in Huaibei* (《淮北市「十四五」建築業發展規劃》), the city will accelerate modern transformation of the construction industry so as to improve the quality and efficiency of construction.

The Natural Resources and Planning Bureau of Huaibei City (淮北市自然資源和規劃局) proposed to strengthen the development and utilisation of mineral resources in its 2024 Work Plan issued in May 2024.

On 22 May 2024, the Housing and Urban-Rural Development Bureau of Huaibei City (淮北市住房和城鄉建設局) released the notice *Policies & Measures of Huaibei to Further Promote the Real Estate Market* (《淮北市關於進一步促進房地產市場的若干政策措施》), which put forward measures to promote the stable and healthy development of the real estate market in ten aspects, such as more support of the housing provident fund, support of reasonable demand for and consumption of housing, adjustment of differentiated housing credit policy, and construction of high-quality residential buildings, to speed up the construction of a new real estate development model and better satisfy the diversified housing needs of the public.

In order to further refine the business environment and promote high-quality development of its construction industry, the Huaibei Leading Group on Urban Functional Quality and Vitality Enhancement (淮北市城市功能品質活力提升工作領導小組) issued the *Measures to Promote the High-Quality Development of the Construction Industry* (《推進建築業高質量發展的若干措施》) on 30 August 2024. The document calls for the establishment of a citywide incubation system for the construction industry, through which the Housing and Urban-Rural Development Bureau of Huaibei City (淮北市住房和城鄉建設局) supervises the incubation of housing construction, municipal engineering, electric power and mining enterprises while the county/district government incubates key construction enterprises within respective jurisdiction; and housing construction and municipal engineering enterprises are supported in developing business in the fields of transportation, water conservation and agriculture.

On 26 September 2024, the Huaibei Leading Group on Urban Functional Quality and Vitality Enhancement set up a taskforce to promote the high-quality development of the construction industry. The taskforce issued the *Notice on Further Implementing “Measures to Promote the High-Quality Development of the Construction Industry”* (《關於進一步強化落實<建築業高質量發展若干措施>的通知》) on 21 October 2024 to provide precise assistance for construction enterprises.

On 21 February 2025, the Housing and Urban-Rural Development Bureau of Huaibei City (淮北市住房和城鄉建設局) published the *Key Agenda of Huaibei on Urban Housing Security in 2025* (《淮北市2025年城鎮住房保障工作要點》), which proposed to intensify efforts to renovate urban villages, and old and dilapidated apartments in the city, and increase the fundraising and supply of low-income housing.

The Bozhou-Mengcheng Expressway, Huaibei-Suzhou-Bengbu Expressway, Wuhe-Mengcheng Expressway are under construction, and the Xuzhou-Dangshan-Shangqiu Expressway and Suqian-Suiping Expressway will start construction in 2025.

Given the aforesaid policies and project implementation, the Board believes that infrastructure construction is expected to boom in Huaibei and its surrounding areas along with the accelerated promotion and commencement of infrastructure construction and key projects in 2025. It is also expected that steadily increasing demands in the construction market in Huaibei and its surrounding cities (including southern Suzhou City, Bozhou City, and northern Bengbu City) will stimulate and stabilise the real estate market, drive up demands for sand, gravel and aggregate markets, and facilitate the effective upturn of the building materials industry, especially green buildings and prefabricated buildings, in the foreseeable future, all of which are likely to help the Group increase its revenue.

OPERATIONS

Given the increasing downward pressures on the real estate market in 2024, the central and local governments continued to release positive signals to stabilise the housing market, favourable policies were adopted continuously, and the housing credit environment was improving. Although the sales price of aggregate products and the demand for concrete declined during the Reporting Year, the sales volume of aggregate products significantly increased as compared to the previous year. The Group believes that the interim decline in production of concrete will not impact the long-term demand for aggregate and concrete products, with support from the favourable policies.

PROGRESS OF BASIC CONSTRUCTION PROJECTS

During the Reporting Year, the Group focused on Phase II of Gaoloushan Mine located in Lieshan District, Huaibei City, Anhui Province. As of the date of this announcement, Phase II of the Gaoloushan Renovation and Expansion Project with an annual capacity of 8 million tonnes has been completed and put into operation. Based on the probable reserves and estimated annual production of up to 8 million tonnes in 2031 pursuant to the development plan, the total reserves of Phase II are estimated to reach 164 million tonnes, and Gaoloushan Mine has an estimated life of 16 years.

SAFETY AND ENVIRONMENTAL PROTECTION

The Group adheres to the safety and environmental protection policies of “Safety First, Precaution Foremost and Comprehensive Treatment” and “Equal Emphasis on Both Resources Development and Environmental Protection” to ensure its production safety and environmental protection. In 2024, the Group achieved its target of production safety, and carried out environmental protection in strict compliance with relevant national laws and regulations.

SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL

Within the Reporting Year, the Company, Leiming Blasting and Leiming Kehua, on 9 August 2024, entered into a supplemental agreement on share capital increase, pursuant to which Leiming Kehua agreed to make the capital contribution of RMB83,999,600 to Tongming Mining. Upon completion of the capital increase, the registered capital of Tongming Mining increased from RMB200,000,000 to RMB222,867,200, and Tongming Mining is jointly owned by the Company, Leiming Blasting and Leiming Kehua as to 60.1255%, 29.6140% and 10.2605%, respectively.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H shares of the Company was listed on the Main Board of the Stock Exchange on 20 January 2023. The net proceeds received from the Global Offering, after deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$78.6 million (equivalent to approximately RMB67.9 million). As at 31 December 2024, the Company has utilised all of the net proceeds from the Global Offering.

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HK\$' million)	Net proceeds utilised as at 31 December 2024 (HK\$' million)	Remaining net proceeds as at 31 December 2024 (HK\$' million)
Settling the payment of the balance acquisition price of the mining right in respect of Phase II Gaoloushan Mine	90%	70.7	70.7	0
Working capital and general corporate purposes	10%	7.9	7.9	0
Total	100.0%	78.6	78.6	0

The Company had used the net proceeds in the same manner and proportion as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

FINANCIAL REVIEW

Operating Results

The decline in construction and real estate markets resulted in lower operating results. In 2024, the revenue of the Group amounted to RMB236.2 million, representing a decrease of 18.72% as compared to RMB290.6 million in 2023; the Group focused on the implementation plan of the development programme to increase the production of aggregate products, and promote the sales volume of aggregate and concrete products.

In 2024, there were no significant changes in the general business model of the Group. The overall economic downturn led to weakening business performance.

With the aim of further developing our business and maintaining our growth momentum, Phase II of Gaoloushan Mine has been put into operation, and its annual production capacity will gradually increase to 8 million tonnes.

REVENUE FROM PRINCIPAL BUSINESS

The following table illustrates the detailed sales by products of the Group for the two years ended 31 December 2024 and 31 December 2023 respectively:

	2024			2023		
	Revenue	Sales volume	Unit price	Revenue	Sales volume	Unit price
	'000	'000	RMB per	'000	'000	RMB per
	RMB'000	tonnes/m ³	tonne/m ³	RMB'000	tonnes/m ³	tonne/m ³
Sales of aggregate products and others						
– Aggregate products and others	<u>215,545</u>	<u>4,635</u>	<u>46.5</u>	<u>215,921</u>	<u>3,900</u>	<u>55.4</u>
Sales of concrete products						
– Ready-mixed concrete	<u>19,909</u>	<u>60.8</u>	<u>327.5</u>	<u>64,784</u>	<u>172.3</u>	<u>375.9</u>
– Cement-stabilised macadam	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,467</u>	<u>30.9</u>	<u>112</u>
– Asphalt concrete	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,450</u>	<u>14.8</u>	<u>435.8</u>
Revenue from concrete distribution services	<u>714</u>	<u>34.1</u>	<u>20.94</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>20,623</u>			<u>74,701</u>		
Total	<u><u>236,168</u></u>			<u><u>290,622</u></u>		

In 2024, the revenue from sales of aggregates products and others of the Group amounted to RMB215.55 million, representing a decrease of 0.17% as compared to RMB215.92 million in 2023, which is due to the combined effects of (i) a drop in the average selling price of aggregate products and others of the Group from RMB55.4 per tonne (exclusive of tax) in 2023 to RMB46.5 per tonne (exclusive of tax) in 2024, representing a decrease of 16.06%; and (ii) growth in sales volume of aggregates products and others of the Group from 3,900,000 tonnes in 2023 to 4,635,000 tonnes in 2024, representing an increase of 18.85%.

In 2024, the revenue from sales of ready-mixed concrete of the Group amounted to RMB19.91 million, representing a decrease of 69.27% as compared to RMB64.78 million in 2023. Such decrease is due to the combined effects of (i) a drop in the average selling price of ready-mixed concrete of the Group from RMB375.90 per m³ (exclusive of tax) in 2023 to RMB327.5 per m³ (exclusive of tax) in 2024, representing a decrease of 12.88%; and (ii) reduction in sales volume of ready-mixed concrete of the Group from 172,300 m³ in 2023 to 60,800 m³ in 2024, representing a decrease of 64.71%.

In 2024, no revenue was generated from sales of cement-stabilised macadam and asphalt concrete because there were no external sales.

In 2024, the revenue from distribution services of concrete amounted to RMB0.71 million due to the agency services of concrete products commenced in 2024.

In 2024, the gross profit of the Group amounted to RMB83.76 million, representing a decrease of RMB40.55 million or 32.62% as compared to RMB124.31 million in 2023. The gross profit margin in 2024 was 35%, representing a decrease of 8 percentage points as compared to 43% in 2023.

ADMINISTRATIVE EXPENSES

In 2024, the administrative expenses incurred by the Group decreased by 26.1% to RMB22.6 million from RMB30.6 million in 2023, primarily due to decrease in personnel and third-party service fees.

FINANCE COSTS

In 2024, the finance costs of the Group increased by RMB23 million to RMB85.9 million from RMB62.9 million in 2023, primarily due to the combined effects of higher interests on bank loans and non-recurring interest compensation expenses paid to Leiming Kehua in relation to the capital injection to Tongming Mining.

FINANCIAL CONDITIONS

In 2024, shareholders' equity increased to RMB703.8 million from RMB666.3 million in 2023, which was resulted from the combined effect of the capital injection of RMB84 million from non-controlling interests of its subsidiary, namely Tongming Mining, loss of RMB34 million, profit distribution of RMB5 million from a subsidiary, and dividends paid by the parent company of RMB7 million in 2024. The total assets increased from RMB2,383 million in 2023 to RMB2,475 million, representing a steady growth in total assets.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had a total of RMB320.3 million in cash and cash equivalents, an increase of RMB246.6 million from RMB73.7 million in 2023, mainly due to more long-term loans and release of restricted deposits.

As at 31 December 2024, the Group did not provide guarantees and pledges to affiliated parties.

MARKET RISKS

The Group is exposed to various market risks, including raw materials price and other commodities price risk, changes in interest rates and risk of change in industry policies.

The Group faces raw materials price and other commodities price risk. Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices, particularly for our concrete products. The raw materials that we use in our concrete products primarily include binding materials (such as cement, mineral powder and coal ash), aggregates (such as sand) and admixtures. In the production of asphalt concrete products, the major raw materials include asphalt, aggregates and mineral powder. We procure all of our raw materials in the PRC.

For the Reporting Year, our costs of raw materials amounted to RMB21.6 million (RMB57.5 million in 2023), accounting for 14% (34.6% in 2023) of total sales costs. Raw materials are mainly used to produce concrete. Due to significant decline in the concrete business, the costs of raw materials dropped greatly. As a result, its percentage of total sales costs also dropped significantly.

INTEREST RATE RISK

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

The Group didn't use any interest rate swaps to hedge its exposure to interest rate risk during the Reporting Year.

RISK OF CHANGE IN INDUSTRY POLICIES

An array of laws, rules and regulations governing the construction industry in China constitute the external regulatory and legal environment for the Company's daily and continuous operations, and exert great impacts on the Company's business development, production and operations, domestic and foreign trade, and capital investment etc. Relevant changes in industry policies may have corresponding effects on the Company's production and operations.

OUTLOOK

During the Reporting Year, the Group devoted itself to implementing its development programme. As Phase II of Gaoloushan Mine is put into operation, the Group will increase the production capacity. It strives to produce 6.0 million tonnes of aggregate products for the year 2025, and plans to gradually increase the annual production in the following years.

From 2025 on, with ongoing construction of the Bozhou-Mengcheng Expressway, Huaibei-Suzhou-Bengbu Expressway and Wuhe-Mengcheng Expressway, and construction kick-off of the Xuzhou-Dangshan-Shangqiu Expressway and Suqian-Suiping Expressway, it is expected that the booming infrastructure construction will lead to thriving demands for construction aggregates in Huaibei and its surrounding cities, including southern Suzhou City, Bozhou City and northern Bengbu City. The Group will pay close attention to market needs, generate new sales leads, tap its internal potential and secure production of aggregate and concrete products so as to meet increasing demands for aggregate products from our existing and potential clients, and drive the steady and robust development of the Group with outstanding financial performance.

In 2025, the Group intends to acquire potential physical industries that are suitable for the Company's development, expand the scale of capital assets, increase the Company's operating revenues, and raise profitability.

In 2025, the Group will firmly strengthen its management, enhance its overall management level and operational efficiency, and tap its internal potential to secure production of aggregate and concrete products, and maintain consistent output of key products.

We believe that we are able to seize increasing demands arising from effective implementation of the above plan, and therefore generate positive impacts on the business and financial performance of our Group in the future.

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

During the Reporting Year, there was no purchase, sale or redemption of any listed securities (including sale of treasury shares) of the Company by the Company or any of its subsidiaries. As of 31 December 2024, the Company did not hold any treasury shares.

EVENTS AFTER THE REPORTING YEAR

Re-appointment and Appointment of the Third Session of the Board

As approved by the shareholders at the extraordinary general meeting of the Company held on 17 January 2025, Mr. Liu Yong and Mr. Qin Jiapeng have been re-appointed and Mr. Mao Hongxian and Mr. Yao Minglei have been appointed as the executive Directors of the third session of the Board, and Mr. Gao Wei, Mr. Liu Chaotian and Ms. Xing Mengwei have been re-appointed as independent non-executive Directors of the third session of the Board.

Amendments to the Articles of Association

As approved by the shareholders at the extraordinary general meeting of the Company held on 17 January 2025, the amendments to the Articles of Association of the Company to, among others, remove the establishment of the board of supervisors of the Company (the “**Board of Supervisors**”), have become effective.

As the Company no longer having a Board of Supervisors or supervisors, the audit committee of the Company will exercise the duties and powers of the Board of Supervisors as stipulated in the Company Law of the PRC.

Repayments of the Advance Payments

On 21 January 2025, the Company announced that, due to an inadvertent omission by the funds payment department of the Company, the Group made the advance payments in the aggregate amount of approximately RMB232.53 million (the “**Advance Payments**”) to Huaibei Construction Investment Holding Group Co., Ltd* (淮北市建投控股集團有限公司) (“**Huaibei Construction Investment**”) without complying with the relevant requirements under the Listing Rules. The Advance Payments had not been announced by the Company and approved by the independent shareholders in a timely manner in accordance with the Listing Rules which constituted a non-compliance of the relevant rules under Chapters 13, 14 and 14A of the Listing Rules at the material time. The amount of the Advance Payments and the accrued interest had been fully repaid by Huaibei Construction Investment to the Group as at the date of this announcement. For the details, please refer to the relevant announcement issued by the Company on 21 January 2025.

Save as disclosed above, there is no other material event after the Reporting Year.

CORPORATE GOVERNANCE

The Company strives to attain and maintain relatively high standards of corporate governance that are best suited to the needs and interests of the Group, as it believes that effective corporate governance practices are fundamental to safeguarding the interests of its shareholders and other stakeholders and enhancing shareholder value.

The Board has adopted the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules. During the Reporting Year, the Company complied with all the code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors and the Supervisors of the Company (the “**Supervisors**”). Having made specific enquiries to all the Directors and Supervisors, the Company confirms that all the Directors and Supervisors have complied with the required standards as set out in the Model Code during the Reporting Year.

AUDIT COMMITTEE

The Audit Committee of the Company (the “**Audit Committee**”) consists of three members, namely Mr. Gao Wei (Chairman), Mr. Liu Chaotian and Ms. Xing Mengwei, all of whom are independent non-executive Directors. The Company’s annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of the financial information complies with the applicable accounting standards, the requirements of the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of this announcement of the Group’s results for the Reporting Year been agreed by the Group’s independent auditor, Cheng & Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Year. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Cheng & Cheng Limited on the preliminary announcement.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the Company’s website at <http://www.ljgfjt.com/> and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company will be published on the Company’s and the Stock Exchange’s websites in due course.

DIVIDEND

The Board proposed that no payment of annual dividend for the year ended 31 December 2024 would be made by the Company.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (“**AGM**”) will be held on Thursday, 29 May 2025. The notice of the AGM will be available at the Company’s and the Stock Exchange’s websites in due course.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement of the shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 29 April 2025 to Thursday, 29 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM, shareholders are required to lodge their transfer forms accompanied by their share certificates and other applicable documents with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 28 April 2025. The record date for determining the entitlement of the shareholders to attend and vote at the AGM will be Thursday, 29 May 2025.

By Order of the Board
Huaibei GreenGold Industry Investment Co., Ltd.*
Liu Yong
Chairman of the Board and Executive Director

Huaibei, Anhui Province, PRC, 27 March 2025

As at the date of this announcement, the Executive Directors are Mr. Liu Yong (Chairman), Mr. Qin Jiapeng, Mr. Mao Hongxian and Mr. Yao Minglei; and the Independent Non-executive Directors are Mr. Gao Wei, Mr. Liu Chaotian and Ms. Xing Mengwei.

* *for identification purposes only*