

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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)**

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

**FINANCIAL HIGHLIGHTS**

- Operating revenue amounted to RMB110.8 million, representing a decrease of 26.9% as compared to RMB151.5 million for the corresponding period of last year.
- Loss and total comprehensive loss attributable to equity shareholders of the Company amounted to RMB7.7 million, representing a decrease of 146.9% as compared to profit and total comprehensive income attributable to equity shareholders amounted to RMB16.4 million for the corresponding period of last year.
- Gross profit margin amounted to 36.5%, representing a decrease of 8.3 percentage points as compared to 44.8% for the corresponding period of last year.
- Basic loss per share were RMB0.03, representing a decrease of RMB0.09 as compared to basic earnings per share of RMB0.06 for the corresponding period of last year.
- The Board does not recommend any payment of interim dividend.

The board of directors (the “**Board**”) of Huaibei GreenGold Industry Investment Co., Ltd.\* (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of last year.

\* For identification purposes only

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi (“RMB”))

	Note	Six months ended 30 June	
		2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
<b>Revenue</b>	4	<b>110,752</b>	151,538
Cost of sales		<u>(70,349)</u>	<u>(83,626)</u>
<b>Gross profit</b>		<b>40,403</b>	67,912
Other income		<b>4,651</b>	11,000
Administrative expenses		<b>(15,610)</b>	(15,998)
Impairment (loss)/reversal on trade receivables		<u>(4,018)</u>	<u>1,130</u>
<b>Profit from operations</b>		<b>25,426</b>	64,044
Finance costs		<u>(35,164)</u>	<u>(33,132)</u>
<b>(Loss)/profit before taxation</b>	5	<b>(9,738)</b>	30,912
Income tax	6	<u>(1,409)</u>	<u>(7,246)</u>
<b>(Loss and total comprehensive loss)/profit and total comprehensive income for the period</b>		<u><b>(11,147)</b></u>	<u>23,666</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(7,678)</b>	16,429
Non-controlling interests		<u>(3,469)</u>	<u>7,237</u>
<b>(Loss and total comprehensive loss)/profit and total comprehensive income for the period</b>		<u><b>(11,147)</b></u>	<u>23,666</u>
<b>(Loss)/earnings per share</b>			
Basic and diluted	7	<u><b>(0.03)</b></u>	<u>0.06</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 – unaudited

(Expressed in RMB)

		At 30 June 2024 (unaudited) RMB'000	At 31 December 2023 (audited) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		1,875,387	1,879,603
Deferred tax assets		–	1,250
Non-current prepayments and deposits		79,687	102,156
		<u>1,955,074</u>	<u>1,983,009</u>
<b>Current assets</b>			
Inventories		2,886	3,275
Trade and other receivables	8	34,053	38,311
Income tax recoverable		18,149	17,748
Cash at bank and on hand		566,723	340,671
		<u>621,811</u>	<u>400,005</u>
<b>Current liabilities</b>			
Trade and other payables	9	398,039	414,168
Contract liabilities		4,877	3,876
Interest-bearing borrowings		64,210	753,869
Current taxation		–	181
		<u>467,126</u>	<u>1,172,094</u>
<b>Net current assets/(liabilities)</b>		<u>154,685</u>	<u>(772,089)</u>
<b>Total assets less current liabilities</b>		<u>2,109,759</u>	<u>1,210,920</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

at 30 June 2024 – unaudited (continued)

*(Expressed in RMB)*

	At <b>30 June 2024</b> (unaudited) <i>RMB'000</i>	At 31 December 2023 (audited) <i>RMB'000</i>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	1,295,790	253,500
Long-term payables	122,420	245,031
Deferred tax liabilities	26,618	29,238
Accrual for reclamation costs	17,123	16,804
	<u>1,461,951</u>	<u>544,573</u>
<b>NET ASSETS</b>	<u><b>647,808</b></u>	<u><b>666,347</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	264,000	264,000
Reserves	197,880	212,950
<b>Total equity attributable to equity shareholders of the Company</b>	<u><b>461,880</b></u>	<u>476,950</u>
<b>Non-controlling interests</b>	<u><b>185,928</b></u>	<u>189,397</u>
<b>TOTAL EQUITY</b>	<u><b>647,808</b></u>	<u><b>666,347</b></u>

# NOTES TO THE UNAUDITED INTERIM 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 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange, including compliance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 28 August 2024.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of the interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These interim financial statements contain consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). The interim financial statements are unaudited.

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended IFRSs issued by the IASB to these unaudited condensed consolidated interim 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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

None of these new and amended IFRSs have had a material effect on how the Group’s results and financial position for the current period have been prepared or presented.

## 4 REVENUE AND SEGMENT REPORTING

### (a) 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 4(b).

#### (i) Disaggregation of revenue

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
– Revenue from sales of aggregate products and others	<b>88,021</b>	106,340
– Revenue from sales of concrete products	<b>22,731</b>	45,198
	<b>110,752</b>	151,538

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic information is disclosed in Notes 4(b)(i) and 4(b)(iii), respectively.

### (b) 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 and sale of concrete products to be used in building and road construction.

#### (i) 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 segment. Items that are not specifically attributable to individual segments, such as unallocated head office and corporate 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 six months ended 30 June 2024 and 2023 is set out below.

	<b>Six months ended 30 June 2024</b>		
	<b>Aggregate products and others (unaudited) RMB'000</b>	<b>Concrete products (unaudited) RMB'000</b>	<b>Total (unaudited) RMB'000</b>
<b>Disaggregated by timing of revenue recognition</b>			
Point in time	<u>88,021</u>	<u>22,731</u>	<u>110,752</u>
<b>Revenue from external customers and reportable segment revenue</b>	<u><u>88,021</u></u>	<u><u>22,731</u></u>	<u><u>110,752</u></u>
<b>Reportable segment profit/(loss) (adjusted EBITDA)</b>	<u><u>56,921</u></u>	<u><u>(3,760)</u></u>	<u><u>53,161</u></u>
Depreciation and amortisation	(24,469)	(3,444)	(27,913)
Interest income	3,329	180	3,509
Amortisation of unrealised financing income of non-current portion of other receivables	291	–	291
Finance costs	(35,164)	–	(35,164)
<b>As at 30 June 2024</b>			
<b>Reportable segment assets</b>	<b>2,426,634</b>	<b>125,100</b>	<b>2,551,734</b>
<b>Reportable segment liabilities</b>	<b>1,897,881</b>	<b>23,473</b>	<b>1,921,354</b>
	<b>Six months ended 30 June 2023</b>		
	<b>Aggregate products and others (unaudited) RMB'000</b>	<b>Concrete products (unaudited) RMB'000</b>	<b>Total (unaudited) RMB'000</b>
<b>Disaggregated by timing of revenue recognition</b>			
Point in time	<u>106,340</u>	<u>45,198</u>	<u>151,538</u>
<b>Revenue from external customers and reportable segment revenue</b>	<u><u>106,340</u></u>	<u><u>45,198</u></u>	<u><u>151,538</u></u>
<b>Reportable segment profit (adjusted EBITDA)</b>	<u><u>82,537</u></u>	<u><u>5,292</u></u>	<u><u>87,829</u></u>
Depreciation and amortisation	(24,908)	(3,487)	(28,395)
Interest income	2,126	89	2,215
Amortisation of unrealised financing income of non-current portion of other receivables	274	–	274
Finance costs	(32,709)	(423)	(33,132)
<b>As at 30 June 2023</b>			
<b>Reportable segment assets</b>	<b>2,006,933</b>	<b>130,245</b>	<b>2,137,178</b>
<b>Reportable segment liabilities</b>	<b>1,578,640</b>	<b>33,624</b>	<b>1,612,264</b>

(ii) Reconciliation of reportable segment profit or loss

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
<b>Profit</b>		
Total reportable segment profit	53,161	87,829
Depreciation and amortisation	(27,916)	(28,398)
Interest income	3,949	2,847
Amortisation of unrealised financing income of non-current portion of other receivables	291	274
Unallocated head office and corporate other income	–	7,754
Unallocated head office and corporate expenses	(4,059)	(6,262)
Finance costs	(35,164)	(33,132)
	<u>                    </u>	<u>                    </u>
Consolidated (loss)/profit before taxation	<u><u>(9,738)</u></u>	<u><u>30,912</u></u>

(iii) Geographic information

The Group's revenue is generated from sales of aggregate products and others and 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.

**5 (LOSS)/PROFIT BEFORE TAXATION**

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

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Depreciation and amortisation charge		
– owned property, plant and equipment	26,182	26,551
– right-of-use assets	1,734	1,847
Cost of inventories sold	70,349	83,626
	<u>                    </u>	<u>                    </u>

**6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Current tax	2,779	2,112
Deferred tax	(1,370)	5,134
	<u>                    </u>	<u>                    </u>
	<u><u>1,409</u></u>	<u><u>7,246</u></u>

The Company and the subsidiaries of the Group established in the PRC are subject to PRC Corporate Income tax rate of 25% (2023: 25%).

## 7 (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 RMB7,678,000 for the six months ended 30 June 2024 (2023: profit of RMB16,429,000) and the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 of 264,000,000 shares (2023: 258,500,000 shares).

### (b) Diluted (loss)/earnings per share

The Company did not have any potential dilutive shares during the six months ended 30 June 2024 and 2023. Accordingly, diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share.

## 8 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 (unaudited) RMB'000	At 31 December 2023 (audited) RMB'000
<b>Current</b>		
Trade and bills receivables, net of loss allowance	27,854	33,875
Other receivables	1,889	1,329
	<hr/>	<hr/>
Financial assets measured at amortised cost	29,743	35,204
VAT recoverables	1,381	1,196
Deposits and prepayments	2,929	1,911
	<hr/>	<hr/>
	34,053	38,311
	-----	-----
<b>Non-current</b>		
Reclamation deposit	10,695	10,404
Prepayment for engineering equipment	68,992	91,752
	<hr/>	<hr/>
	79,687	102,156
	-----	-----
	113,740	140,467
	<hr/> <hr/>	<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 period, 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:

	At 30 June 2024 (unaudited) RMB'000	At 31 December 2023 (audited) RMB'000
Within 3 months	18,191	29,599
3 to 6 months	3,400	1,115
6 to 12 months	6,263	3,161
	<u>27,854</u>	<u>33,875</u>

Trade and bills receivables are due within 10-90 days from the date of billing.

## 9 TRADE AND OTHER PAYABLES

	At 30 June 2024 (unaudited) RMB'000	At 31 December 2023 (audited) RMB'000
Trade payables to		
– related parties	15,514	10,572
– third parties	24,898	26,756
	<u>40,412</u>	<u>37,328</u>
Interest payables	587	1,306
Payables for staff related costs	2,141	2,338
Payables for other taxes	5,300	5,264
Payables for capital expenditure	129,398	132,984
Dividends payables	27,192	19,800
Other accruals and payables	2,909	3,048
	<u>207,939</u>	<u>202,068</u>
Financial liabilities measured at amortised cost		
Cash advances from a related party (Note (i))	190,100	212,100
	<u>398,039</u>	<u>414,168</u>

Note:

- (i) Pursuant to a series of agreements among the Company, non-controlling shareholder of Huaibei Tongming Mining Co., Ltd. (“**Tongming Mining**”) and Huaibei Leiming Kehua Co., Ltd. (“**Leiming Kehua**”) in 2021, Leiming Kehua intended to acquire 11.9% equity interest in Tongming Mining by way of capital injection. The balance represented the down payment made by Leiming Kehua. Further details are disclosed in Note 11.

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 period, the ageing analysis of trade payables presented based on the invoice date is as follows:

	<b>At 30 June 2024 (unaudited) RMB'000</b>	At 31 December 2023 (audited) RMB'000
Within 12 months	31,506	36,884
Over 12 months	<u>8,906</u>	<u>444</u>
	<b><u>40,412</u></b>	<b><u>37,328</u></b>

## 10 DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2024 (unaudited) RMB'000</b>	2023 (unaudited) RMB'000
Dividends recognised as distributions to ordinary shareholders of the Company during the period:		
Final dividend of RMB0.028 per share for the year ended 31 December 2023 (2022: Nil)	<u>7,392</u>	<u>–</u>

No interim dividend has been declared and recognised as a liability at the end of the reporting period (for the six months ended 30 June 2023: Nil).

## 11 EVENTS AFTER THE REPORTING PERIOD

On 9 August 2024, the Company, Anhui Leiming Blasting Engineering Co., Ltd. (“**Leiming Blasting**”) and Leiming Kehua entered into the Capital Injection and Share Enlargement Supplemental Agreement, pursuant to which Leiming Kehua agreed to make the capital contribution of RMB83,999,600 to Tongming Mining (the “**Consideration**”).

Upon completion of the Capital Injection, the equity interest of the Company in Tongming Mining will be diluted from 67% to 60.1255%. Tongming Mining will remain a non-wholly owned subsidiary of the Company, and the financial results of Tongming Mining will continue to be consolidated into the consolidated financial statements of the Group.

The Original Capital Contribution represents a liability to the Group as the original capital injection pursuant to the terms of the Tongming Mining Capital Injection Agreements did not proceed and the Capital Injection will reduce the liability of the Group accordingly. Based on preliminary assessment, it is estimated that the Group will not expect to record significant gains or losses on the deemed disposal.

Completion of the Capital Injection is subject to the satisfaction of the Conditions Precedent, and therefore, may or may not proceed to completion.

## 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, Huaibei Tongming Mining Co., Ltd. (“**Tongming Mining**”), in the 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. (“**Liantong Municipal**”), in Xiangshan District, Huaibei City. The Group mainly sells aggregate products and concrete products to construction companies, building materials companies and wholesalers. Compared with similar market participants during the Reporting Period, Tongming Mining maintained a stable market share and is one of the major construction aggregate producers in the market of Huaibei City and its surrounding cities (including Suzhou City and Bozhou City) in terms of sales volume.

### BUSINESS REVIEW

Affected by the economic downturn, the prices of both aggregate and concrete products decreased significantly, contributing to a decline in the Group’s performance. Faced with numerous difficulties and challenges, the Group has made determined efforts to continuously improve its ability to mitigate risks and seize opportunities. Through improving product quality and increasing sales channels, it effectively mitigated risks and challenges. At present, the Company’s Phase II production lines of Tongming Mining has been put into operation. The Phase II products are composed of 3 types of concentrates and 4 types of general materials, which provide stone products for the construction of expressways and high-speed railways. The Company entered into key stone sales agreements with two companies in June 2024 to sell at least 1.2 million tons of aggregate products within one year.

### OVERVIEW OF THE CONSTRUCTION MARKET

In December 2023, the Central Economic Work Conference proposed to resolve the risks of real estate and local debts, advance the renovation of urban villages, and accelerate the “three major projects”, ie. the construction of affordable housing, the construction of public infrastructure for “both leisure and emergency”, and the renovation of urban villages. According to the Interim Measures for Urban Update of Huaibei City (《淮北市城市更新暫行辦法》) issued by the government of Huaibei City in April 2023 and the data released by the Housing and Urban-Rural Development Bureau of Huaibei City, Huaibei City plans to renovate 63 old communities with an area of approximately 2,449,800 square meters in 2024.

In May 2024, the Housing and Urban-Rural Development Bureau of Huaibei City issued the Notice on Several Policies and Measures for Further Promotion of the Real Estate Market in Huaibei City (《淮北市關於進一步促進房地產市場的若干政策措施》). Several measures were taken such as issuing periodic consumption vouchers for housing purchase, increasing the housing provident fund loan amount, optimizing house purchase and enrollment policies, implementing preferential personal income tax policies for housing exchanges and implementing diversified resettlement, to accelerate the establishment of a new real estate development model, better satisfy diversified housing needs of people and promote the stable and sound development of the real estate market.

The construction of West Railway Station of Huaibei City, Huaibei-Suzhou-Bengbu Intercity Railway and Wuhe-Mengcheng Expressway continues in 2024.

Based on the aforementioned government policies, in the first half of 2024, the China's real estate market has shown an overall adjustment state and is still facing significant downward pressure. Central and local government regulatory policies have become more precise. The government will continue to implement differentiated regulatory policies tailored to the city. Key cities may further tighten housing purchase restrictions, loan check and other measures, while some third- and fourth-tier cities may moderately deregulate to stimulate real estate market demand. Real estate policy shows a certain adjustment state, aiming to promote the stability and development of the market. Although the real estate market is weak, with the keynote of the Central Economic Work Conference in 2023, the implementation and construction of infrastructure and key projects in 2024 is accelerated, the real estate market is expected to pick up. With the continued advancement of national environmental protection policies, some small and illegal gravel pits have been shut down, reducing the market supply, the market demand for sand and aggregate has been safeguarded. The Board believes that although the positive effects brought by the favourable policies have not been evident during the Reporting Period, these policies may help to stimulate and maintain a stable real estate market in the foreseeable future. The construction materials industry would benefit from the future growth in the property market in Huaibei City and its surrounding cities (including Suzhou City and Bozhou City). The Group will closely monitor the market dynamics and reasonably arrange the procurement plan to cope with the possible market fluctuations.

## Progress of basic construction projects

During the Reporting Period, the Group had been focusing on Phase II of the Gaoloushan Project 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 tons has been completed and put into operation. The total reserves of the Phase II of mining rights are 164 million tons, and the estimated mine life of the Gaoloushan Mine is 17 years based on the probable reserves of the mine and the anticipated annual production of up to 8 million tonnes in 2031 pursuant to the development plan.

## 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” earnestly to ensure its production safety and environmental protection. During the Reporting Period, the Group achieved its target of production safety. Environmental protection was stringently observed in compliance with the relevant national laws and regulations.

## SIGNIFICANT INVESTMENTS, ACQUISITION AND DISPOSAL

During the Reporting Period, there were no significant asset acquisitions or disposals, mergers or equity investments of the Company. For details and further details of the Capital Injection (as defined below) and deemed disposal of equity interest in Tongming Mining, please refer to the section headed “EVENTS AFTER THE REPORTING PERIOD – 2. Capital Injection in Tongming Mining” below and the announcement of the Company dated 9 August 2024.

## FINANCIAL REVIEW

During the Reporting Period, the revenue of the Group amounted to RMB110.8 million, representing a decrease of 26.9% from RMB151.5 million for the corresponding period of 2023. There were no significant changes to the general business model of the Group during the Reporting Period, and overall business declined due to economic downturn.

## Revenue from Principal Business

The following table illustrates the details of sales by products of the Group for the six months ended 30 June 2024 and 30 June 2023, respectively:

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	Revenue <i>RMB'000</i> (unaudited)	Sales volume <i>Thousand</i> <i>tonnes/m<sup>3</sup></i>	Unit price <i>RMB per</i> <i>tonne/m<sup>3</sup></i>	Revenue <i>RMB'000</i> (unaudited)	Sales volume <i>Thousand</i> <i>tonnes/m<sup>3</sup></i>	Unit price <i>RMB per</i> <i>tonne/m<sup>3</sup></i>
<b>Sales of aggregate products and others</b>						
– Aggregate products and others	88,021	1,732.2	50.8	106,340	1,818.8	58.5
<b>Sales of concrete products</b>						
– Ready-mixed concrete	22,384	65.3	342.8	36,647	91.1	402.4
– Cement-stabilised macadam	347	3.2	108.4	2,944	26.8	109.9
– Asphalt concrete	/	/	/	5,607	12.7	442.2
	22,731			45,198		
<b>Total</b>	<b>110,752</b>			<b>151,538</b>		

During the Reporting Period, the revenue from sales of aggregates products and others of the Group amounted to RMB88.02 million, representing a decrease of 17.2% as compared to RMB106.34 million for the corresponding period of last year, which is due to the combined effect of (i) the decrease in the sales volume of aggregate products and others of the Group from 1,818.8 thousand tonnes for the six months ended 30 June 2023 to 1,732.2 thousand tonnes for the corresponding period of 2024, representing a decrease of 4.8%; and (ii) the decrease in the average selling price of aggregate products and others from RMB58.5 per tonne for the six months ended 30 June 2023 to RMB50.8 per tonne for the corresponding period of 2024, representing a decrease of 13.2%.

During the Reporting Period, the revenue from sales of ready-mixed concrete of the Group amounted to RMB22.38 million, representing a decrease of 38.94% as compared to RMB36.65 million for the corresponding period of last year. Such decrease is due to the combined effect of (i) the decrease in sales volume of ready-mixed concrete of the Group from 91.1 thousand m<sup>3</sup> for the six months ended 30 June 2023 to 65.3 thousand m<sup>3</sup> for the corresponding period of 2024, representing a decrease of 28.32%; and (ii) the decrease in the average selling price of ready-mixed concrete of the Group from RMB402.4 per m<sup>3</sup> for the six months ended 30 June 2023 to RMB342.8 per m<sup>3</sup> for the corresponding period of 2024, representing a decrease of 14.81%.

During the Reporting Period, the revenue from sales of cement-stabilised macadam of the Group amounted to RMB0.3 million, representing a decrease of 89.8% as compared to RMB2.94 million for the corresponding period of last year. Such decrease is due to the combined effect of (i) the decrease in the sales volume of cement-stabilised macadam of the Group from 26.8 thousand tonnes for the six months ended 30 June 2023 to 3.2 thousand tonnes for the corresponding period of 2024, representing a decrease of 88.1%; and (ii) the decrease in the average selling price of cement-stabilised macadam of the Group from RMB109.9 per tonne for the six months ended 30 June 2023 to RMB108.4 per tonne for the corresponding period of 2024, representing a decrease of 1.36%.

During the Reporting Period, the revenue from sales of asphalt concrete of the Group was zero, representing a significant decrease as compared to the corresponding period of last year. Due to the shrinking market for asphalt concrete products and slow return of funds and in order to avoid market risks, invest prudently and consolidate the development direction of the Company, the business was not conducted during the Reporting Period.

## **GROSS PROFIT AND GROSS PROFIT MARGIN**

During the Reporting Period, the gross profit of the Group amounted to RMB40.4 million, representing a decrease of RMB27.5 million from RMB67.9 million for the corresponding period of 2023. The gross profit margin during the Reporting Period was 36.5%, representing a decrease of 8.3 percentage points from 44.8% for the corresponding period of last year.

## **COST OF SALES**

During the Reporting Period, the Group's cost of sales amounted to RMB70.3 million, representing a decrease of RMB13.3 million from RMB83.6 million for the corresponding period of 2023. The decrease was attributable to the decrease in both the sales volume of the Company's products and unit cost of the major raw materials as compared to the corresponding period of last year, and the unit cost of raw materials decreased to a much lesser extent compared with the unit price of products.

## **ADMINISTRATIVE EXPENSES**

During the Reporting Period, the administrative expenses incurred by the Group amounted to RMB15.6 million. The administrative expenses were basically the same as that of the corresponding period of last year.

## **FINANCE COSTS**

For the Reporting Period, the finance costs of the Group amounted to RMB35.2 million, representing an increase of RMB2.1 million from RMB33.1 million for the corresponding period of 2023 due to the increase in interest-bearing borrowings. Although such interest-bearing borrowings increased significantly during the Reporting Period, the new borrowings carried lower interest rates. As a result, the finance costs increased slightly.

## **FINANCIAL CONDITION**

As at 30 June 2024, total equity decreased from RMB666.3 million as at 31 December 2023 to RMB647.8 million, mainly due to the impact of loss in 2024. Total assets increased from RMB2,383 million as at 31 December 2023 to RMB2,576.9 million, mainly due to the increase in monetary capital from external borrowings of Tongming Mining.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group's cash and cash equivalents increased from RMB340.7 million as at 31 December 2023 to RMB566.7 million as at 30 June 2024, mainly due to the increase in monetary capital from external borrowings of Tongming Mining.

As at 30 June 2024, the Group has not provided guarantees to related parties.

## **MARKET RISKS**

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

The Group also faces raw materials price and other commodities price risk. The Group's competitiveness, costs and profitability depend, in part, on the Group's ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices, particularly for its concrete products. The raw materials that the Group uses in its 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. The Group procures all raw materials in the PRC.

## **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. The Group mainly controls its exposure to interest rate risks associated with certain cash holdings and bank deposits, interest-bearing bank and other 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 had not used any interest rate swaps to hedge its exposure to interest rate risk during the Reporting Period.

## **Risk of change in industry policies**

An array of laws, regulations and rules on the construction industry in China constitute 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.

## **OUTLOOK**

During the Reporting Period, the Group has been focusing on the implementation of its development plan. Under the circumstance that the Phase II production line of Gaoloushan Project is put into operation, the Group will increase the production scale and strive to reach 6.0 million tonnes for the year, and plans to gradually increase the annual production volume in 2025.

In the second half of 2024, with the successive commencement of projects such as West Railway Station of Huaibei City, Huaibei-Suzhou-Bengbu Intercity Railway and Wuhe-Mengcheng Expressway, Huaibei City and its surrounding areas are expected to experience an infrastructure construction boom. It is expected that there will be thriving demand for construction aggregates in Huaibei City and its surrounding cities, including Suzhou City and Bozhou City. The Group will pay close attention to market needs, develop new sales customers, and explore its internal potential to ensure stable production of aggregates and concrete products of the Group, with a view to meeting the increasing demand of aggregate products from our existing customers and potential customers and driving the steady and robust development of the Group with outstanding financial performance.

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

During the Reporting Period, there was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries (including sale of treasury shares). As at 30 June 2024, the Company did not hold any of treasury shares.

## EVENTS AFTER THE REPORTING PERIOD

### 1. Resignation of Supervisor

As disclosed in the announcement of the Company dated 13 August 2024, Ms. Zhao Mingling resigned as a shareholders' representative supervisor and the chairman of the board (the "**Board of Supervisors**") of supervisors (the "**Supervisor(s)**") of the Company. Ms. Zhao Mingling's resignation will result in the number of Supervisors of the Board of Supervisors falling below the statutory number required in the relevant rules, regulations and the articles of association of the Company, hence the resignation of Ms. Zhao Mingling will become effective on the date on which the Company's extraordinary general meeting elects a new Supervisor to fill in such vacancy. Before the resignation becomes effective, Ms. Zhao Mingling shall continue to perform her duties as a Supervisor according to the relevant rules, regulations and the articles of association of the Company.

### 2. Capital Injection in Tongming Mining

Reference is made to the announcement of the Company dated 9 August 2024. On 9 August 2024 (after training hours of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")), the Company, Anhui Leiming Blasting Engineering Co., Ltd.\* (安徽雷鳴爆破工程有限責任公司) ("**Leiming Blasting**") and Anhui Leiming Kehua Co., Ltd.\* (安徽雷鳴科化有限責任公司) ("**Leiming Kehua**") entered into the capital injection and share enlargement supplemental agreement, pursuant to which Leiming Kehua agreed to make the capital contribution of RMB83,999,600 to Tongming Mining (the "**Capital Injection**"). Upon completion of the Capital Injection, Tongming Mining will be owned as to 60.1255% by the Company, 29.6141% by Leiming Blasting and 10.2604% by Leiming Kehua. Tongming Mining will remain as a non-wholly owned subsidiary of the Company. For further details of the Capital Injection, please refer to the announcement of the Company dated 9 August 2024.

## CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of shareholders as a whole. The Company has adopted the Code Provisions as set out in the Corporate Governance Code (Appendix C1) to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code to govern its corporate governance practices. The Board believes that the Company has complied with the relevant Code Provisions set out in the Corporate Governance Code during the six months ended 30 June 2024, and no Directors are aware of any information that reasonably shows that the Company has not complied with the Code Provisions at any time during the Reporting Period.

## **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 of the Company (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 six months ended 30 June 2024.

## **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 interim report and interim results announcement for the six months ended 30 June 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.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim 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](http://www.hkexnews.hk). The interim 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 interim dividend for the six months ended 30 June 2024 would be made by the Company.

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

Anhui, the PRC, 28 August 2024

*As at the date of this announcement, the executive Directors of the Company are Mr. Liu Yong, Mr. Qin Jiapeng, Mr. Zhao Song, Ms. Lu Junzhe and Mr. Zhang Zhengguang and the independent non-executive Directors of the Company are Mr. Gao Wei, Mr. Liu Chaotian and Ms. Xing Mengwei.*

\* *for identification purposes only*