

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.



LINGJIN

灵 金

Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

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

(Stock Code: 3330)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board of directors (the “**Board**”) of Lingbao Gold Group Company Ltd. (the “**Company**”), hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023 (“**Fiscal Year 2023**”), which have been reviewed by the audit committee of the Company (“**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2023
(Expressed in Renminbi Yuan)

	<i>Note</i>	2023 RMB'000	2022 <i>RMB'000</i>
Revenue	<i>3</i>	10,533,681	10,126,458
Cost of sales		<u>(9,563,780)</u>	<u>(9,341,357)</u>
Gross profit		969,901	785,101
Other revenue	<i>4</i>	48,292	45,697
Other net loss	<i>5</i>	(63,131)	(48,561)
Selling and distribution expenses		(9,337)	(8,701)
Administrative expenses and other operating expenses		<u>(364,076)</u>	<u>(331,719)</u>
Profit from operations		581,649	441,817
Finance costs		(160,795)	(132,894)
Share of loss of an associate		<u>(2,619)</u>	<u>(2,415)</u>
Profit before taxation		418,235	306,508
Income tax	<i>6</i>	<u>(124,208)</u>	<u>(76,238)</u>
Profit for the year		<u>294,027</u>	<u>230,270</u>
Attributable to:			
Equity shareholders of the Company		318,082	240,222
Non-controlling interests		<u>(24,055)</u>	<u>(9,952)</u>
Profit for the year		<u>294,027</u>	<u>230,270</u>
Basic and diluted earnings per share (RMB cents)	<i>8</i>	<u>32.35</u>	<u>27.80</u>

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

*for the year ended 31 December 2023
(Expressed in Renminbi Yuan)*

	<i>Note</i>	2023 RMB'000	2022 <i>RMB'000</i>
Profit for the year		294,027	230,270
Other comprehensive income for the year (after tax and reclassification adjustments)			
Item that may be reclassified subsequently to profit or loss:			
<i>Exchange differences on translation of financial statements of overseas subsidiaries</i>		<u>(11,466)</u>	<u>(79,884)</u>
Total comprehensive income for the year		<u>282,561</u>	<u>150,386</u>
Attributable to:			
Equity shareholders of the Company		307,589	175,362
Non-controlling interests		<u>(25,028)</u>	<u>(24,976)</u>
Total comprehensive income for the year		<u>282,561</u>	<u>150,386</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi Yuan)

	<i>Note</i>	2023 RMB'000	2022 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	9	2,031,326	1,814,683
Construction in progress		351,296	304,205
Intangible assets		973,689	1,028,386
Goodwill		4,717	4,717
Right-of-use assets		171,301	135,777
Interest in an associate		—	26,206
Financial assets at fair value through profit or loss		5,398	4,520
Non-current prepayments		15,196	25,665
Deferred tax assets		318,673	300,139
		<u>3,871,596</u>	<u>3,644,298</u>
Current assets			
Inventories		1,590,875	1,280,758
Trade and other receivables, deposits and prepayments	10	413,884	379,937
Financial assets at fair value through profit or loss		3,191	—
Pledged deposits		699,880	1,425,900
Cash and cash equivalents		256,724	173,010
		<u>2,964,554</u>	<u>3,259,605</u>
Current liabilities			
Bank and other borrowings	11	2,725,108	3,571,749
Trade and other payables	12	880,158	825,685
Contract liabilities		3,430	5,439
Lease liabilities		5,205	12,119
Financial liabilities at fair value through profit or loss		53,213	13,054
Current tax payable		39,208	70,275
		<u>3,706,322</u>	<u>4,498,321</u>
Net current liabilities		<u>(741,768)</u>	<u>(1,238,716)</u>
Total assets less current liabilities		<u>3,129,828</u>	<u>2,405,582</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
(Expressed in Renminbi Yuan)

	<i>Note</i>	2023 RMB'000	2022 <i>RMB'000</i>
Non-current liabilities			
Bank and other borrowings	<i>11</i>	128,000	100,000
Other payables	<i>12</i>	537,514	384,122
Lease liabilities		14,915	17,382
Deferred tax liabilities		12,845	5,496
		<u>693,274</u>	<u>507,000</u>
NET ASSETS		<u>2,436,554</u>	<u>1,898,582</u>
CAPITAL AND RESERVES			
Share capital		236,804	172,850
Reserves		2,425,347	1,931,543
Total equity attributable to equity shareholders of the Company		2,662,151	2,104,393
Non-controlling interests		(225,597)	(205,811)
TOTAL EQUITY		<u>2,436,554</u>	<u>1,898,582</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi Yuan unless otherwise indicated)

1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong and the 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 of Hong Kong Limited (the “Listing Rules”).

As at 31 December 2023, the Group had net current liabilities of RMB741,768,000, total bank and other borrowings of RMB2,853,108,000 and capital commitments of RMB376,043,000. 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 2023, taking into account the Group’s cash flow projection, including the Group’s unutilised banking facilities related to unsecured bank loans facilities of RMB291 million, ability to renew or refinance the banking facilities upon maturity and ability to adjust the scheduled 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 and there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

<i>Amendments to HKAS 8</i>	<i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>
<i>Amendments to HKAS 1 and HKFRS Practice Statement 2</i>	<i>Presentation of financial statements and Making materiality judgements: Disclosure of accounting policies</i>
<i>Amendments to HKAS 12</i>	<i>Deferred tax related to assets and liabilities arising from a single transaction</i>
<i>Amendments to HKAS 12 HKFSR 17</i>	<i>International tax reform — Pillar Two model rules Insurance Contracts</i>

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 effective for the current accounting period.

3 REVENUE

The principal activities of the Group are mining, processing, smelting, sales of gold, other metallic products and jewellery in the PRC.

Revenue represents the sales value of goods sold to customers, net of sales tax and value added tax.

(i) Disaggregation of Revenue

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products lines		
— Sales of gold	10,177,658	9,614,599
— Sales of other metals	315,379	300,265
— Sales of jewellery	6,345	18,513
— Others	107,223	251,487
Less: Sales taxes and levies	<u>(72,924)</u>	<u>(58,406)</u>
	<u>10,533,681</u>	<u>10,126,458</u>

All revenue was recognised at a point in time under HKFRS 15.

In 2023, revenue from sales of gold bullion to Shanghai Gold Exchange has exceeded 10% of the Group's revenues, amounting to RMB8,981,620,000 (2022: RMB9,565,030,000). The Shanghai Gold Exchange certified the Group as a standard gold bullion production enterprise and the Group has Shanghai Gold Exchange trading rights. The gold bullion was traded on or through Shanghai Gold Exchange, thus the counterparty is uncertain and unknown.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for other metals such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfied the remaining performance obligations under the contracts for sales of other metals that had an original expected duration of one year or less.

4 OTHER REVENUE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest income on financial assets measured at amortised cost	27,425	29,712
Government grants	19,777	7,662
Scrap sales	—	4,740
Sundry income	1,090	3,583
	<u>48,292</u>	<u>45,697</u>

5 OTHER NET LOSS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Net realised and unrealised loss on other financial instruments at fair value	5,314	3,207
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	(1,194)	14,264
Net foreign exchange gain	(3,124)	(84,087)
Impairment losses of:		
— property, plant and equipment (<i>note 9</i>)	—	48,160
— intangible assets	40,047	21,215
— right-of-use assets	—	17,520
— investment deposits	—	—
Expenditure on government claims of a subsidiary	—	24,475
Provision for legal claims	14,544	—
Others	7,544	3,807
	<u>63,131</u>	<u>48,561</u>

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax — PRC income tax		
Provision for the year	142,176	57,288
Over-provision in respect of prior years	(6,783)	(2,518)
	<u>135,393</u>	<u>54,770</u>
Deferred tax		
Origination and reversal of temporary differences	(11,185)	21,468
	<u>124,208</u>	<u>76,238</u>

Notes:

- (i) Under the Corporate Income Tax Law of the PRC (the “**CIT Law**”), which was passed by the Fifth Plenary Session of the Tenth National People’s Congress, effective from 1 January 2008, the Company and its PRC subsidiaries are subject to income tax at the statutory rate of 25%, unless otherwise specified.

One of the subsidiaries, Habahe Huatai Gold Company Limited (“**Huatai**”) was accredited as a “High and New Technology Enterprise” in December 2020 with 3-year validity period, and successfully renewed in December 2023 with another 3-year validity period. Huatai was entitled to a preferential income tax rate of 15% since 1 January 2021.

- (ii) Hong Kong Profits Tax rate for 2023 is 16.5% (2022: 16.5%). No provision for Hong Kong Profits Tax is made as the subsidiary located in Hong Kong did not earn any income which is subject to Hong Kong Profits Tax.
- (iii) Kyrgyzstan corporate income tax rate (“**KR CIT**”) in 2023 is 0% (2022: 0%).

On 9 August 2012, the Parliament of Kyrgyz Republic passed the law on amendments and additions to the Tax Code of the Kyrgyz Republic (“**Amended Tax Code**”) which became effective from 1 January 2013. In accordance with the Amended Tax Code, starting from 1 January 2013 the KR CIT rate for gold mining companies is set at 0% and a revenue-based tax is introduced. Such revenue-based tax is recognised in “sales taxes and levies”.

- (iv) Considering the uncertainty of the future available taxable profits against which certain tax benefits can be utilised in the relevant tax jurisdiction and entity, the Group has not recognised deferred tax assets of RMB31,722,000 (2022: RMB37,632,000) in respect of unused tax losses of RMB46,561,000 (2022: RMB52,788,000) and temporary differences of RMB72,195,000 (2022: RMB97,740,000 for the year ended 31 December 2023).

7 DIVIDENDS

- (i) **Dividends payable to equity shareholders of the Company attributable to the year**

The proposed final dividend for the year of RMB0.065 per share, amounted to approximately RMB79,076,000, which is approved by the board of directors of the Company at the date of approval of these consolidated financial statements and is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting, has not been reflected as dividend payable as at 31 December 2023. (2022: Nil).

- (ii) **Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

No dividend attribute to the previous financial year was approved or paid in 2023 (2022: Nil).

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity shareholders of the Company of RMB318,082,000 (2022: RMB240,222,000) and 1,184,021,255 (2022: 864,249,091) in issue during the year ended 31 December 2023.

	2023	2022
Profit for the year and earnings used in basic earnings per share (<i>RMB'000</i>)	<u>318,082</u>	<u>240,222</u>
Weighted average number of shares used in basic earnings per share	<u>983,397,075</u>	<u>864,249,091</u>
Earnings per share (<i>RMB Cents</i>)	<u>32.35</u>	<u>27.80</u>

(b) Diluted earnings per share

The diluted earnings per share for the current and the prior year is the same as the basic earnings per share as there are no dilutive ordinary shares during the years.

9 PROPERTY, PLANT AND EQUIPMENT

Owing to the under-performance of production and operation of a cash-generating unit (“CGU”), Chifeng Jinchan Mining Company Limited (“Jinchan”), which is under the mining-PRC reportable segment. The Group identified an impairment indicator of its property, plant and equipment, and performed an impairment assessment of the related assets based on their estimated recoverable amounts.

As a result of the assessment, no impairment loss was recognised during the year ended 31 December 2023, as the recoverable amount of Jinchan is higher than its carrying amount (During the year ended 31 December 2022, an impairment loss of RMB48,160,000 was recognised).

10 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables, net of loss allowance	235,752	168,389
Bills receivable	<u>1,251</u>	<u>3,953</u>
	<u>237,003</u>	<u>172,342</u>
Other receivables, net of loss allowance (<i>note (b)</i>)	59,690	78,334
Amounts due from related parties	<u>470</u>	<u>923</u>
	<u>60,160</u>	<u>79,257</u>
Financial assets measured at amortised cost	<u>297,163</u>	<u>251,599</u>
Deposits and prepayments	<u>69,375</u>	<u>60,222</u>
Purchase deposits (<i>note (c)</i>)	797,964	818,734
Less: Allowance for non-recoverability	<u>(750,618)</u>	<u>(750,618)</u>
	47,346	68,116
Amount due from Beijing Jiuyi	<u>—</u>	<u>—</u>
	<u>413,884</u>	<u>379,937</u>

All of the trade and other receivables, deposits and prepayments are expected to be recovered within one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within three months	113,096	172,042
Over three months but less than six months	921	—
Over six months	<u>122,986</u>	<u>300</u>
At 31 December	<u>237,003</u>	<u>172,342</u>

The majority of gold bullion was traded on or through Shanghai Gold Exchange, of which receivables will be collected within 1–2 days upon the completion of clearing by Shanghai Gold Exchange. For sales of gold, the Group requests customers to pay cash in full immediately upon the delivery. For sales of other metallic products, trade and bills receivables are due within one month to one year from the date of billing.

(b) Other receivables, net of loss allowance

The allowance for expected credit losses of other receivables as at 31 December is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other receivables	79,830	97,135
Less: Allowance for expected credit losses	(19,670)	(18,801)
	<u>60,160</u>	<u>78,334</u>

During the year ended 31 December 2023, the Group recognised the loss allowance for expected credit losses of other receivables of RMB869,000 (31 December 2022: RMB7,535,000).

During the year ended 31 December 2022, the Group wrote off the gross carrying amount of other receivables amounting to RMB6,352,000 and the corresponding allowance for expected credit losses of RMB6,352,000.

In measuring expected credit losses, the Group takes into account reasonable and supportable information that is available without undue cost or effort, which includes information about past events, current conditions and forecasts of future economic conditions.

(c) Purchase deposits

Purchase deposits represent the amounts paid by the Group in advance to suppliers to secure timely and stable supply of mineral sand for the purposes of refining in future periods.

The movement in the allowance for non-recoverability of purchase deposits during the year is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
At 1 January	750,618	741,512
Impairment loss recognised	—	9,106
At 31 December	<u>750,618</u>	<u>750,618</u>

The management considered that appropriate procedures have been taken by the Group to assess the capabilities of the suppliers to supply mineral sand and expect that the remaining purchase deposits of RMB47,346,000 (2022: RMB68,116,000) as at 31 December 2023 would be gradually recovered through future purchases of mineral sand from the respective suppliers.

11 BANK AND OTHER BORROWINGS

The analysis of the carrying amount of bank and other borrowings is as follows:

	At 31 December 2023 <i>RMB'000</i>	At 31 December 2022 <i>RMB'000</i>
Short-term bank and other borrowings:		
— Bank and other borrowings	2,533,108	3,552,248
— Add: Current portion of long-term bank and other borrowings	<u>192,000</u>	<u>19,501</u>
	<u>2,725,108</u>	<u>3,571,749</u>
Long-term bank and other borrowings:		
— Bank and other borrowings	320,000	119,501
— Less: Current portion of long-term bank and other borrowings	<u>(192,000)</u>	<u>(19,501)</u>
	<u>128,000</u>	<u>100,000</u>
	<u>2,853,108</u>	<u>3,671,749</u>

At 31 December 2023, the bank and other borrowings were repayable as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within one year or on demand	2,725,108	3,571,749
Over one year but within two years	<u>128,000</u>	<u>100,000</u>
	<u>2,853,108</u>	<u>3,671,749</u>

At 31 December 2023, the bank and other borrowings were secured as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Bank and other borrowings		
— Secured	647,000	1,705,390
— Guaranteed	975,990	826,359
— Unsecured	<u>1,230,118</u>	<u>1,140,000</u>
	<u><u>2,853,108</u></u>	<u><u>3,671,749</u></u>

At 31 December 2023, bank and other borrowings of the Group amounting to RMB577,000,000 (2022: RMB685,390,000) were secured by pledged deposits with the carrying amount of RMB447,000,000 (2022: RMB552,560,000).

At 31 December 2023, bank and other borrowings of the Group amounting to RMB200,000,000 (2022: RMB980,000,000) were secured by pledged deposits with the carrying amount of RMB100,000,000 (2022: RMB820,000,000) and guaranteed by the D&R Asset Management Group Company Limited (“**D&R Investment**”) with maximum guarantees of RMB100,000,000 (2022: RMB160,000,000).

At 31 December 2023, bank and other borrowings of the Group amounting to RMB400,000,000 (2022: Nil) were secured by pledged deposits with the carrying amount of RMB100,000,000 (2022: Nil) and guaranteed by a subsidiary of the Group named Tongbai Xingyuan with maximum guarantees of RMB300,000,000 (2022: Nil).

At 31 December 2023, bank and other borrowings of the Group amounting to RMB435,990,000 (2022: RMB666,858,000) were guaranteed by D&R Investment with maximum guarantees of RMB435,990,000 (2022: RMB785,000,000).

At 31 December 2023, bank loans of the Company amounting to RMB50,000,000 (2022: RMB140,000,000) were guaranteed by a subsidiary named Huatai with maximum guarantees of RMB50,000,000 (2022: RMB140,000,000) and D&R Investment with maximum guarantees of RMB50,000,000 (2022: RMB140,000,000), respectively. The amounts were fully repaid during the year.

At 31 December 2023, bank loans of the Company amounting to RMB90,000,000 (2022: Nil) were guaranteed by two subsidiaries named Huatai with maximum guarantees of RMB90,000,000 (2022: Nil) and Tongbai Xingyuan with maximum guarantees of RMB90,000,000 (2022: Nil).

At 31 December 2022, bank loans of a subsidiary, named Shenzhen Jinda Gold Company Limited (“**Shenzhen Jinda**”), amounting to RMB40,000,000 were secured by its building with carrying amount of RMB63,841,000 and guaranteed by the Company, the pledge were released during the year upon the respective bank loans were fully repaid during the year.

At 31 December 2022, bank loans of a subsidiary, named Full Gold, amounting to USD2,800,000 (RMB equivalent 19,501,000) were guaranteed by the Company. The bank loan was fully repaid during the year.

12 TRADE AND OTHER PAYABLES

	31 December 2023 <i>RMB'000</i>	31 December 2022 <i>RMB'000</i>
Current trade and other payables		
Bills payable	—	10,000
Trade payables	441,497	248,192
Other payables and accruals	275,108	393,248
Interest payables	20,461	1,628
Payable for mining rights	80,074	84,780
Deferred income (<i>note (a)</i>)	57,817	78,684
Payable to non-controlling interests	—	52
Amount due to related parties	443	4,343
Dividend payable	4,758	4,758
	<u>880,158</u>	<u>825,685</u>
Financial liabilities at fair value through profit or loss		
Gold future and forward	14,786	13,054
Gold lease contracts	38,427	—
	<u>53,213</u>	<u>13,054</u>
Non-current other payables		
Payable for long-term assets (<i>note (b)</i>)	344,423	217,523
Deferred income (<i>note (a)</i>)	66,905	55,410
Decommissioning costs (<i>note (c)</i>)	126,186	111,189
	<u>537,514</u>	<u>384,122</u>

Notes:

- (a) Deferred income represents grants received from the government for the exploration of mines and construction of mining related assets. When certain conditions are met, the government grants are recognised as income over the periods necessarily to match them with the related costs of assets constructed which they are intended to compensate over the periods and in the proportion in which depreciation on those assets is charged.
- (b) Payable for long-term assets represents non-current payables in respect of procurement of property, plant and equipment, construction in progress and mining rights.
- (c) The decommissioning costs relate to reclamation and closure costs relating to the Group's mine operations. The decommissioning costs are calculated as the net present value of estimated future net cash flows of the reclamation and closure costs, discounted at 4.9%, which amounted to RMB126,186,000 (31 December 2022: RMB111,189,000) in total as at 31 December 2023.

The ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Within three months	274,468	203,859
Over three months but less than six months	92,676	10,246
Over six months but less than one year	35,731	9,556
Over one year but less than two years	17,747	8,827
Over two years	20,875	15,704
	441,497	248,192

13 LOAN FROM SHAREHOLDERS

As at 31 December 2023, the Group did not have any loans from its shareholders.

On 24 February 2022, the Company and D&R Investment entered into a loan agreement and the unsecured loan of RMB30,000,000 was provided by D&R Investment, which is bearing interest per annum at 5.39% and with a maturity of one month. The loan of RMB30,000,000 was repaid in April 2022.

14 COMMITMENTS AND CONTINGENCIES

- (a) Capital commitments, representing purchase of property, plant and equipment and intangible assets outstanding at 31 December 2023 not provided for in the financial statements, were as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Authorised and contracted for	376,043	37,065
Authorised but not contracted for	—	302,338
	376,043	339,403

(b) Financial guarantees issued

As at 31 December 2023, the Company does not issue any financial guarantees to its subsidiaries or any third parties.

As at 31 December 2022, the Company has issued the following guarantees:

- (i) Guarantees to a subsidiary, Lingbao Gold International, in respect of a loan granted to another subsidiary, Full Gold, of USD1,739,000 (RMB equivalent 12,111,000);
- (ii) Guarantees to certain banks in respect of bank loans granted to a subsidiary, Full Gold, of USD2,800,000 (RMB equivalent 19,501,000).

As at 31 December 2023, the Company has received the following guarantees:

- (i) D&R Investment has issued guarantees of RMB100,000,000 to three subsidiaries of the Company, named Shenzhen Jinda, Huatai and Lingbao Jinda Gold Company Limited (“**Lingbao Jinda**”) in respect of bank acceptance bills issued by these subsidiaries, of RMB196,000,000, RMB2,000,000 and RMB2,000,000, respectively (2022: Nil).
- (ii) A subsidiary of the Group, named Tongbai Xingyuan, has issued a guarantee of RMB300,000,000, to the Company in respect of bank acceptance bills issued by the Company, of RMB400,000,000 (2022: Nil).
- (iii) D&R Investment has issued a guarantee of RMB435,990,000 to the Company in respect of bank loans granted to the Company of RMB435,990,000 (2022:Nil).
- (iv) D&R Investment and a subsidiary of the Company, named Huatai, have jointly issued a guarantee of RMB50,000,000, to the Company in respect of bank loans granted to the Company, of RMB50,000,000 (2022: Nil).
- (v) Two subsidiaries of the Group, named Huatai and Tongbai Xingyuan, have jointly issued a guarantee of RMB90,000,000, to the Company in respect of bank loans granted to the Company, of RMB90,000,000 (2022: Nil).

As at 31 December 2023, the Company has received the following guarantees:

- (i) A subsidiary of the Group, Huatai, has issued a guarantee of RMB140,000,000 to the Company in respect of bank loans granted to the Company, of RMB140,000,000. The bank loans were fully repaid during the year, and the respective guarantee has been released.

The management does not consider it probable that a claim will be made against the Group or the Company under any of the guarantees. The maximum liability of the Group or the Company at the end of the reporting period under the guarantees issued is the above outstanding loans granted to the subsidiaries of the Company.

Except for the above guarantees, the Group or the Company does not provide any guarantees which would expose the Group or the Company to credit risk.

15 BUSINESS COMBINATION DURING THE YEAR

On 6 November 2023, the Company entered into the equity transfer agreement with the vendor, which are independent third parties to the Group to acquire 43.3002% of the equity interests in Lingbao Xinan Solid Waste Disposal Company Limited (“**Xinan Waste**”) with cash consideration of RMB22,016,000. Upon the completion of acquisition on the same date, the Group’s total equity interest in Xinan Waste increased from 46.3901% to 89.6903%, and Xinan Waste became a subsidiary of the Group.

Xinan Waste is principally engaged in recycling and disposal of wastes from mining and smelting activities.

The fair value of identifiable assets and liabilities of Xinan Waste as at the date of completion was:

	6 November 2023 RMB’000
Property, plant and equipment	51,849
Construction in progress	14,524
Right-of-use assets	36,352
Other non-current assets	48
Cash and cash equivalents	2,160
Trade receivables	13,774
Other receivables and prepayments	2,099
Inventories	198
Trade payables	(66,014)
Other payables	(4,145)
	<hr/>
Fair value of net assets	50 845
Less: non-controlling interests	(5,242)
Less: fair value of previously held equity interests	(23,587)
	<hr/>
Fair value of net identifiable assets acquired	22,016
Cash consideration paid	(22,016)
	<hr/>
	—
 An analysis of the cash flows in respect of the acquisition of Xinan Waste is as follows:	
Cash consideration paid	22,016
Cash and cash equivalents acquired	(2,160)
	<hr/>
Net outflow of cash and cash equivalents included in cash flows from investing activities	19,856
	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF BUSINESS

In the Fiscal Year 2023, the Group produced approximately 22,565 kg (equivalent to approximately 725,476 ounces) of gold bullion, representing a decrease of approximately 1,788 kg (equivalent to approximately 57,478 ounces) or 7.34% as compared with the previous year. Despite an increase of approximately 1% in the overall production volume of the mining segment compared with the corresponding period of the previous year, there was a decrease in the production volume of gold bullion compared to the previous fiscal year due to stricter environmental control measures implemented during the current year, which resulted in production restrictions imposed on the Group's smelting segment, leading to a reduction in the amount of ore extracted. As of the Fiscal Year 2023, due to the Group's continued optimization of the mine production system, enhancement of the production capacity of the mining segment, continuous improvement of the internal control structure of the Group and strict implementation of cost reduction and efficiency enhancement, coupled with an increase in market prices, the Group recorded a net profit of approximately RMB294,027,000 (for the year ended 31 December 2022 ("**Fiscal Year 2022**"): net profit of RMB230,270,000). The basic earnings per share of the Company for the Fiscal Year 2023 was RMB32.35 cents (Fiscal Year 2022: RMB27.8 cents).

The Group's mineral resources are mainly scattered in the regions of Henan, Xinjiang, Inner Mongolia, Jiangxi and Gansu of the People's Republic of China (the "**PRC**") and Kyrgyz Republic ("**KR**") with 35 mining and exploration rights as at 31 December 2023, covering 216.51 square kilometers. The total gold reserves and resources as at 31 December 2023 were approximately 137.40 tonnes (4,417,346 ounces).

1. MINING SEGMENT

Revenue and production

Our mining business mainly comprises the sales of gold concentrates and compound gold. Most of the gold concentrates and compound gold were sold to the Group's smelting plant as intra-group sales.

The following table sets forth the analysis on the production and sales volume of the mining segment by product category:

		2023		2022	
Unit		<i>Approximate production volume</i>	<i>Approximate sales volume</i>	<i>Approximate production volume</i>	<i>Approximate sales volume</i>
Gold concentrates (contained gold)	kg	4,769	4,957	4,582	4,597
Compound gold	kg	709	712	839	878
Total	kg	5,478	5,669	5,421	5,475
Total	Ounce	176,108	182,249	174,289	176,025

The total revenue of the mining segment of the Group for the Fiscal Year 2023 was approximately RMB2,385,419,000, representing an increase of approximately RMB448,586,000 or 23.16% from approximately RMB1,936,833,000 in the previous year. Such increase benefited from an increase in the production and sales volume of various mines compared to previous year due to the Group's efforts to strengthen internal control management and optimize the mine production system, as well as the increase in market prices. Among them, revenue from Mining — PRC was approximately RMB2,245,632,000 (Fiscal Year 2022: RMB1,769,349,000), and revenue from Mining — KR was approximately RMB139,787,000 (Fiscal Year 2022: RMB167,484,000). In the Fiscal Year 2023, revenue of gold mines in Henan, Xinjiang, KR and Inner Mongolia represented approximately 79%, 14%, 7% and 1% of the total revenue of the mining segment, respectively. The production volume of compound gold in the mining segment decreased by approximately 130 kg to approximately 709 kg while the production volume of the gold concentrates increased by approximately 187 kg to approximately 4,769 kg.

Segment results

The Group's total profit of the mining segment for the Fiscal Year 2023 was approximately RMB747,085,000, representing an increase of approximately 46% as compared with that in the Fiscal Year 2022, among which, the profit from Mining — PRC was approximately RMB808,030,000 (Fiscal Year 2022: RMB516,640,000), and the loss from Mining — KR was approximately RMB97,981,000 (Fiscal Year 2022: loss of RMB4,994,000). The segment result to segment revenue ratio of the Group's mining business for the Fiscal Year 2023 was approximately 33.1%, as compared with approximately 26.4% for Fiscal Year 2022.

In the Fiscal Year 2023, the revenue from the Mining — PRC segment increased by approximately 68.3% as compared with that in the Fiscal Year 2022, mainly benefiting from the Group's efforts in deepening management mechanism reforms, leveraging technological improvements, strengthening production organization and scheduling, and further enhancing production capacity. The Group completed the production of 5,478 kg of gold concentrates (contained gold) and compound gold throughout the year, representing an increase of 57 kg and a year-on-year increase of 1%. The Group's Nanshan branch deepened the reform of management mechanism, detailed target decomposition, strengthened production organization and scheduling, reduced ore dilution rate, and improved slag grade, which resulted in increased production and sales volume. Xingyuan optimized its production system, leveraged the scale effects of technological improvements, and increased ore selection volume. Overall, the annual production volume showed an increase compared to the Fiscal Year 2022.

In addition, despite the steady optimization of mineral separation indicators of Full Gold Mining Limited Liability Company (“**Full Gold**”) through the research and development of the mineral separation process and technical breakthroughs, the Mining — KR segment loss increased from approximately RMB4,994,000 in the Fiscal Year 2022 to the loss of approximately RMB97,981,000 for the Fiscal Year 2023 due to the increase in inventories impairment of RMB106,344,000.

Based on the above, there was an improvement in the mining and mineral separation efficiency of the Group's mining segment as compared with that of the Fiscal Year 2022, resulting in an overall increase in production and revenue.

2. SMELTING SEGMENT

The Group's melting plant is situated in Henan Province, and is capable of processing gold, silver, copper products and sulphuric acid. Its main products include gold bullion, silver, copper products and sulphuric acid. The following table sets forth the analysis on the production and sales volume of the smelting segment by product category:

Products	Unit	2023		2022	
		<i>Approximate production volume</i>	<i>Approximate sales volume</i>	<i>Approximate production volume</i>	<i>Approximate sales volume</i>
Gold bullion	kg	11,066	10,992	11,641	12,139
(processed from gold concentrates)	ounce	355,794	353,405	374,267	390,278
Gold bullion	kg	11,498	11,798	12,712	12,412
(processed from compound gold)	ounce	369,673	379,292	408,700	399,055
Silver	kg	18,122	19,244	16,781	16,900
	ounce	582,652	618,713	539,521	543,348
Copper products	tonne	3,443	3,664	4,255	4,011
Sulphuric acid	tonne	114,204	118,681	107,091	119,081

Sales and production

The Group's total revenue in the smelting segment for the Fiscal Year 2023 was approximately RMB10,618,737,000, representing an increase of approximately 4.87% from approximately RMB10,125,830,000 in the previous year.

Segment results

In the Fiscal Year 2023, the smelting segment recorded a loss of approximately RMB9,500,000 (Fiscal Year 2022: profit of approximately RMB22,812,000). In the Fiscal Year 2023, the Group strictly implemented the cost reduction and efficiency enhancement system by taking measures such as optimizing production processes, staggering the use of electricity, making minor changes and reforms and implanting refined management. We also improved the recovery rate with additional tailings disposal facilities, resulting in an increase in the gross profit of our products. However, the impact of changes in supply and demand in the local sulphuric acid market resulted in a loss for the smelting segment during the period.

Work Planning and Outlook for 2024

Looking into 2024, we will align with industry development trends and continue to focus on the strategy of “becoming a large gold production powerhouse”. We will benchmark against top-tier domestic enterprises and rely on innovation and talent to actively and prudently advance mineral exploration and reserves enhancement efforts. Additionally, we will expedite the integration of next-generation information technology and mining, while continuously cultivating our core competitiveness and enhancing our technical capabilities and overall economic benefits.

We will persistently adhere to the resource strategy and foster the sustainable development capabilities. We will strengthen corporate governance and establish an efficient and pragmatic operational management system. We will also accelerate the “digitalization” transformation strategy and achieve management upgrading while implementing the strategy of developing a robust company through talents and enhancing the construction of cadres and talent reserves. In addition to upholding the bottom line of safety and environmental protection and building new safeguards for corporate development, we will adhere to a culture of common development and build a new model of green and sustainable development.

FINANCIAL INFORMATION

1. Operating Results

Revenue

The Group's sales analysis by products is shown as follows:

	2023			2022		
	Amount (RMB'000)	Sales volume (kg/tonne)	Unit price (RMB per kg/tonne)	Amount (RMB'000)	Sales volume (kg/tonne)	Unit price (RMB per kg/tonne)
Gold bullion	10,058,989	22,790	441,383	9,565,030	24,499	390,425
Silver	94,578	19,244	4,915	69,606	16,838	4,134
Copper products	218,903	3,664	59,748	230,659	4,011	57,507
Sulphuric acid	4,211	118,681	35	38,549	119,081	324
Gold concentrates	203,706	545	373,910	232,145	608	381,817
Others	34,212	—	—	48,875	—	—
Revenue before tax	10,614,599			10,184,864		
Less: Sales taxes	(80,918)			(58,406)		
	<u>10,533,681</u>			<u>10,126,458</u>		

The Group's revenue for the Fiscal Year 2023 was approximately RMB10,533,681,000, representing an increase of approximately 4.02% as compared with the previous year.

Gross profit

The Group's gross profit for the Fiscal Year 2023 was RMB969,901,000 as compared with the gross profit of RMB785,101,000 in the previous year. Through a series of measures such as strengthening internal control management, cost reduction and efficiency enhancement, and refined management, the Group successfully lowered production costs and increased production capacity. This has been accompanied by an increase in market prices, resulting in simultaneous increases in gross profit and gross profit margins.

Other net loss

The Group's other net loss for the Fiscal Year 2023 was approximately RMB63,131,000, representing an increase of approximately 30.0% as compared with approximately RMB48,561,000 in the previous year.

Other revenue

The Group's other revenue for the Fiscal Year 2023 was approximately RMB48,292,000, representing an increase of approximately 5.68% as compared with approximately RMB45,697,000 in the previous year. The increase in other revenue was mainly due to more government grant received.

Profit attributable to the Company's equity shareholders

For the Fiscal Year 2023, the Company recorded a profit of approximately RMB318,082,000 attributable to equity shareholders of the Company (Fiscal Year 2022: RMB240,222,000). The basic and diluted earnings per share for the Fiscal Year 2023 was RMB32.35 cents (Fiscal Year 2022: RMB27.8 cents).

2. Liquidity and Financial Resources

The Group generally finances its acquisition and operations with internally generated funds and bank loans. The cash and cash equivalents and pledged deposits as at 31 December 2023 amounted to RMB956,604,000 (31 December 2022: RMB1,598,910,000).

The total equity of the Group as at 31 December 2023 amounted to RMB2,436,554,000 (31 December 2022: RMB1,898,582,000). As at 31 December 2023, the Group had current assets of RMB2,964,554,000 (31 December 2022: RMB3,259,605,000) and current liabilities of RMB3,706,322,000 (31 December 2022: RMB4,498,321,000). The current ratio was 80.0% (31 December 2022: 72.5%).

As at 31 December 2023, the Group had total outstanding bank and other borrowings of approximately RMB2,853,108,000 with interest rates ranging from 1.1% to 5.2% per annum (approximately RMB2,725,108,000 and approximately RMB128,000,000 repayable within one year and over one year but within two years, respectively). The gearing ratio as at 31 December 2023 was 41.7% (31 December 2022: 53.2%), which was calculated by total borrowings divided by total assets.

As at 31 December 2023, the Group had unutilised bank facilities related to unsecured bank loans facilities of RMB291,000,000. These facilities could be drawn down by the Group to finance its operation. Based on the past experience and the communication with banks, the Board believes that the Company has the ability to renew or secure banking facilities upon maturity.

In order to effectively lower the debt ratio and improve the financing ability of the Group, the Group has taken the following measures:

- 1) increasing the production volume of the gold bullion and generate cash flows from operating activities by strengthening internal management and optimizing cost reduction and efficiency enhancement measures, and increasing the output of gold bullion processed from gold concentrates;
- 2) securing certain funding by enhancing the communication and promoting mutual trust between the Group and banks and other financial institutions as well as taking advantage of the government's relatively loose financing policies;
- 3) increasing supply chain financing by taking full advantage of the attribute of high liquidity of inventories in the gold mining industry;
- 4) increasing the liquidity and reducing short-term borrowings. The Group will arrange more secured long-term loan facilities at lower interest rates by the pledging of property, plant and equipment of the Group;
- 5) obtaining financing upon the completion of subscription of the Company's shares (as described in the circular dated 4 January 2023). The net proceeds from the subscription will be used to meet the Group's production and working capital needs, which will enhance the liquidity of the Company and further lower its gearing ratio; and
- 6) Completing placing of new H shares under the general mandate to six Places (as detailed in the announcements dated 21 February 2024 and 28 February 2024, respectively). The net proceeds from the Placing are intended to be used for procurement of gold concentrate for the production of gold bullion and alleviation of some production pressures.

3. Security and guarantee

For details of securities and guarantees of the Group as at 31 December 2023, please refer to Note 11 "Bank and Other Borrowings" to these financial statements.

4. Connected Party Transactions

(1) Loan from a shareholder

On 24 February 2022, the Company and D&R Investment entered into a loan agreement and the unsecured loan of RMB30,000,000 was provided by D&R Investment, which is bearing interest per annum at 5.39% and with a maturity of one month. The loan of RMB30,000,000 was repaid in April 2022.

(2) *Guarantee issued by a shareholder*

During the year ended 31 December 2023, D&R Investment issued maximum guarantees amounting to RMB745,000,000 to several banks in respect of bank and other borrowings, bank acceptance bills and letter of credit of the Company (2022: RMB1,085,000,000).

In 2021, the Company and D&R Investment entered into an agreement for guarantee charge in relation to the above guarantees issued by D&R Investment. The guarantee charge was calculated based on the principals of unpledged bank and other borrowings with annual fee rate of 1%. For the bank and other borrowings pledged by deposits, inventories or long-term assets, no guarantee charge was occurred during the year ended 31 December 2023.

5. *Material Acquisition or Disposal*

Save as otherwise disclosed in this announcement, there were no material acquisitions or disposals subsequent to 31 December 2023 and up to the date of this announcement.

6. *Market Risks*

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

Gold price and other commodities price risk

The Group's revenue and profit were affected by fluctuations in the gold prices and other commodity prices as all of our products were sold at market prices and such fluctuations in prices were beyond our control. The Group does not use and strictly prohibits the use of commodity derivative instruments or futures for speculation purpose. All commodity derivative instruments are used to minimise the potential price fluctuation of gold and other commodities.

Interest rate risk

The Group is exposed to risks associated with the fluctuation in interest rates on our debt obligations. The Group undertakes debt obligations for general corporate purposes such as support of capital expenditure and working capital. The Group's bank loans bear interest rates that are subject to adjustment made by our lenders in accordance with changes of the relevant regulations of the People's Bank of China. If the People's Bank of China increases the interest rates, our finance cost increases accordingly. In addition, to the extent that we may need to raise our debt financing in the future, upward fluctuations in interest rates will increase the cost of new debt.

Exchange rate risk

The Group's transactions are mainly denominated in Renminbi. As such, fluctuations in exchange rates may affect the international and domestic gold prices, and our operational results may be affected. Renminbi is not freely convertible and could fluctuate against a basket of currencies. The PRC government may take further actions and implement new measures on free conversion of Renminbi.

In addition to the foregoing, the exchange rate risks to which the Group exposes are mainly caused by certain bank deposits, trade and other receivables, trade and other payables and bank loans, which are denominated in foreign currencies. The currency risk is primarily United States dollars.

Fluctuations in exchange rates may adversely affect the value of our net assets, earnings and any dividends we declare when they are being converted or translated into Hong Kong dollars.

7. Contractual Obligations

As at 31 December 2023, the Group's total capital commitments in respect of the contracted costs and the authorised but not contracted costs which were not provided for in the financial statements were approximately RMB376,043,000 (31 December 2022: RMB37,065,000) and RMBnil (31 December 2022: RMB302,338,000), respectively.

8. Contingent Liabilities

As at 31 December 2023, the Group had no material contingent liabilities.

9. Capital Expenditure

For the Fiscal Year 2023, the Group's capital expenditure was approximately RMB287,398,000, representing an increase of approximately 26% from approximately RMB228,775,000 for the previous year.

The Group's capital expenditure mainly relates to the construction of mining shafts and renewal of mining rights for other relevant subsidiaries, expansion of project equipment and upgrading of production equipment.

10. Employees

For the Fiscal Year 2023, the average number of employees of the Group was 4,103. The Company highly treasures its human resources and provides its employees with competitive remuneration and training programs. The gender and type of employees will be disclosed in detail in the annual report.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions as set out in the Corporate Governance Code (collectively the “Code”) contained in Appendix C1 of the Listing Rules during the year ended 31 December 2023. None of the Directors 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 despatched to shareholders in due course.

PURCHASE, SALES OR REDEMPTION OF SHARES OF THE COMPANY

For the Fiscal Year 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

DIVIDENDS

Relevant resolution was passed at the Board meeting held on 27 March 2024 to propose to distribute a final dividend of RMB0.065 per share (tax inclusive) for the year ended 31 December 2023 (Fiscal Year 2022: Nil). Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the final dividend is expected to be payable on about 31 July 2024. According to the Law on Corporate Income Tax of the People's Republic of China and the relevant implementing rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H share register of shareholders of the Company. Any shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees or other groups and organisations will be treated as being held by non-resident enterprise shareholders and therefore the dividend payable therein will be subject to the withholding of the corporate income tax.

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules as well as the Tax Notice (《稅收通知》), the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of individual holders of H Shares:

- for the H share individual shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of final dividend;
- for the H share individual shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of final dividend, while such shareholders may apply for rebate of the additional payment to the tax authorities in accordance with the actual tax rate under such tax treaties;
- for the H share individual shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend;
- for the H share individual shareholders whose country (region) of domicile is a country (region) which has not entered into any tax treaties with the PRC, or a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders in the distribution of final dividend.

If a H share individual shareholder considers that his/her individual income tax withheld by the Company does not comply with the tax rate stipulated by the tax treaties between country(ies) or region(s) in which he/she is domiciled and the PRC, he/she should file a timely authorisation letter together with the reporting materials relating to him/her being a resident of the related country or region, to Computershare Hong Kong Investor Services Limited, the Company's H Share Registrar in Hong Kong by no later than 4:30 p.m. on Thursday, 23 May 2024. The materials will be submitted to the competent tax authority by the Company, for subsequent taxation handling.

Non-resident enterprise shareholders or overseas resident individual shareholders of the Company may seek advice from their tax advisor in relation to the tax impact of the mainland China, Hong Kong and other countries (regions) involved in owning and disposing of H shares of the Company if they have any doubts on the above arrangements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 24 May 2024 to Wednesday, 29 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, as well as the entitlement to the recommended payment of final dividends, all transfer documents of shares accompanied by the relevant share certificates must be lodged with the Company's H shares registrar, Computershare Hong Kong Investor Services Limited at shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the registered office address of the Company at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC (for holders of domestic shares), no later than 4:30 p.m. on Thursday, 23 May 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 of the Listing Rules as the Company's code of conduct for dealings in securities by directors of the Company. Having made specific enquiries of all the Company's directors, all directors of the Company have confirmed that they had fully complied with the required standard set out in the Model Code throughout the Fiscal Year 2023.

AUDIT COMMITTEE AND REVIEW OF RESULTS ANNOUNCEMENT FOR FISCAL YEAR 2023

The Audit Committee comprises four independent non-executive directors and one non-executive director, namely, Mr. Xu Rong (Chairman), Mr. Wang Guanghua, Mr. Wang Jiheng, Mr. Tan Chong Huat and Mr. Zhang Feihu.

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by the Group, audit, internal control, and financial reports, as well as the policies and practices of the Company in respect of corporate governance. The Audit Committee has reviewed and confirmed annual results. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

THE SCOPE OF WORK OF BDO

Financial figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss, and the consolidated statement of profit or loss and other comprehensive income of the Group and related notes thereto for the year ended 31 December 2023 as set out in this announcement have been compared by the auditor of the Company, BDO (Certified Public Accountants), with the amounts as contained in the audited consolidated financial statements of the Group for the year, and the amounts were found to be in agreement. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement has been published on the website of The Hong Kong Exchanges and Clearing Limited (the “**HK Exchange**”), www.hkexnews.hk, and the website of the Company, www.irasia.com/listco/hk/lingbao. The 2023 Annual Report will be despatched to shareholders in due course and published on the websites of HK Exchange and the Company.

By order of the Board
Lingbao Gold Group Company Ltd.
Chen Jianzheng
Chairman

Lingbao City, Henan Province, the PRC
27 March 2024

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chen Jianzheng, Mr. Xing Jiangze, Mr. He Chengqun, Mr. Dai Weitao and Mr. Wu Liming; two non-executive Directors, namely Mr. Zhang Feihu and Mr. Wang Guanran; and four independent non-executive Directors, namely Mr. Wang Guanghua, Mr. Wang Jiheng, Mr. Xu Rong and Mr. Tan Chong Huat.