

*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.*



**中國白銀集團**

CHINA SILVER GROUP

**CHINA SILVER GROUP LIMITED**

**中國白銀集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 815)**

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

### **HIGHLIGHTS OF 2023 ANNUAL RESULTS**

The Group's revenue for 2023 was approximately RMB5,545.1 million (2022: RMB3,231.6 million), representing a significant increase of approximately 71.6% as compared to that for 2022. Such significant increase was due to the increase of sales from the Manufacturing segment and New Jewellery Retail segment of approximately RMB3,603.2 million and RMB130.0 million respectively, which outweighed the decline of sales from the Fresh Food Retail segment of approximately RMB1,419.7 million.

For 2023, the Group recorded a profit attributable to owners of the Company of approximately RMB14.5 million (2022: loss attributable of approximately RMB120.8 million). Such turnaround from loss to profit was mainly attributable to the following factors:

- (i) in respect of the Group's Manufacturing segment, as the silver electrolysis production line and palladium sponge production line have successively been put into operation on a commercial scale since June and August 2022 after the segment's suspension of production for more than a year, the amount of external sales of silver ingots for 2023 was significantly higher than that for 2022. Besides, output-value-based subsidies provided by the local government led to a slight reduction in the per-unit cost of sales. These reasons resulted in a segment profit of approximately RMB55.5 million for 2023 compared to a segment loss of approximately RMB22.4 million for 2022; and

- (ii) in respect of the Group’s discontinued operation (classified as Silver Exchange segment prior to 1 November 2023), its loss for 2022 was mainly attributable to a non-recurring impairment loss on certain intangible assets of approximately RMB57.7 million recognized in 2022, while no such impairment loss on intangible assets was recognized in 2023.

The aforesaid factors are partially offset by the following unfavorable factors:

- (iii) in respect of the Group’s New Jewellery Retail segment, although the sales volume for 2023 increased compared to 2022, the increase was mainly attributable to the growth in sales of gold products, which had a lower gross profit margin compared to other jewellery products, thereby lowering the overall gross profit margin of the segment and recording a segment loss of approximately RMB7.8 million for 2023 (2022: RMB9.1 million); and
- (iv) in respect of the Group’s Fresh Food Retail segment, the “Nongmuren” S2B2C platform was still in a consolidation stage with a focus on optimizing its network of collaborative stores, diversifying its product offerings and adjusting its business strategies. Besides, hog prices in Mainland China during 2023 were generally lower than those during 2022, which reduced shopkeepers’ appetite for trade and thus the amount of hog transacted. For these reasons, the sales volume for 2023 was significantly lower than that for 2022, while the cost of sales and other related costs and expenses were also significantly reduced accordingly. Overall, given its status of development, the segment had not started to generate a net profit during 2023 and recorded a segment loss of approximately RMB26.9 million (2022: RMB18.1 million).

The board of directors (individually, a “**Director**”, or collectively, the “**Board**” or the “**Directors**”) of China Silver Group Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**”) for the year ended 31 December 2023 (or the “**current year**”, “**this year**” or “**during the year**”), together with the audited comparative figures for the year ended 31 December 2022 (or the “**last year**” or “**prior year**”).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2023*

	<i>Notes</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>5,545,080</b>	3,231,575
Cost of sales and services provided		<u>(5,435,957)</u>	<u>(3,165,768)</u>
<b>Gross profit</b>		<b>109,123</b>	65,807
Other income, net		<b>11,501</b>	4,850
Other gains and losses, net	5	<b>(9,953)</b>	(9,473)
Selling and distribution expenses		<b>(33,270)</b>	(41,950)
Administrative expenses		<b>(58,410)</b>	(79,045)
Research and development expenses		<b>(986)</b>	(1,015)
Provision for impairment loss under expected credit loss model, net	11	<b>(13,809)</b>	(1,651)
Share of loss of associates		<b>(28)</b>	–
Finance costs		<u>(25,662)</u>	<u>(22,581)</u>
<b>Loss before income tax</b>		<b>(21,494)</b>	(85,058)
Income tax expense	6	<u>(957)</u>	<u>(534)</u>
<b>Loss for the year from continuing operations</b>		<b>(22,451)</b>	(85,592)
<b>Discontinued operation</b>			
Profit (loss) for the period/year from discontinued operation	12	<u>2,484</u>	<u>(59,244)</u>
<b>Loss for the year</b>	7	<u><b>(19,967)</b></u>	<u>(144,836)</u>
<b>Other comprehensive income (expense), net of income tax</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain (loss) on investment in an equity instrument at fair value through other comprehensive income (“FVTOCI”)		<u>184</u>	<u>(29)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(19,783)</b></u>	<u>(144,865)</u>

	<i>Note</i>	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b> (Restated)
<b>Profit (loss) for the year attributable to:</b>			
Owners of the Company		<b>14,549</b>	(120,766)
Non-controlling interests		<b>(34,516)</b>	(24,070)
		<u><b>(19,967)</b></u>	<u>(144,836)</u>
<b>Profit (loss) for the year attributable to Owners of the Company arises from:</b>			
Continuing operations		<b>12,065</b>	(61,522)
Discontinued operation		<b>2,484</b>	(59,244)
		<u><b>14,549</b></u>	<u>(120,766)</u>
<b>Total comprehensive income (expense) for the year attributable to:</b>			
Owners of the Company		<b>14,733</b>	(120,795)
Non-controlling interests		<b>(34,516)</b>	(24,070)
		<u><b>(19,783)</b></u>	<u>(144,865)</u>
<b>Total comprehensive income (expense) for the year attributable to Owners of the Company arises from:</b>			
Continuing operations		<b>12,249</b>	(61,551)
Discontinued operation		<b>2,484</b>	(59,244)
		<u><b>14,733</b></u>	<u>(120,795)</u>
		<b>RMB</b>	<b>RMB</b>
<b>Profit (loss) per share</b>			
<b>For continuing and discontinued operations</b>			
Basic	9	<u><b>0.007</b></u>	<u>(0.065)</u>
Diluted		<u><b>0.007</b></u>	<u>(0.065)</u>
<b>For continuing operations</b>			
Basic		<u><b>0.006</b></u>	<u>(0.033)</u>
Diluted		<u><b>0.006</b></u>	<u>(0.033)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	<i>Notes</i>	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>113,033</b>	127,814
Goodwill		<b>12,476</b>	12,476
Right-of-use assets		<b>20,300</b>	20,763
Intangible assets		<b>8,910</b>	34,321
Investment in associates		<b>12</b>	–
Deferred tax assets		<b>4,709</b>	6,295
Refundable rental deposits	<i>10</i>	–	762
Equity instrument at FVTOCI		–	7,348
Deposits paid on acquisition of non-current assets		–	2,721
		<b>159,440</b>	212,500
<b>CURRENT ASSETS</b>			
Inventories		<b>1,087,498</b>	1,056,274
Trade and other receivables	<i>10</i>	<b>142,793</b>	111,594
Income tax recoverable		<b>736</b>	1,385
Restricted bank balances		–	5,291
Pledged bank deposits		<b>107,900</b>	166,900
Bank balances and cash		<b>524,682</b>	589,225
		<b>1,863,609</b>	1,930,669
<b>CURRENT LIABILITIES</b>			
Trade, bills and other payables	<i>13</i>	<b>318,019</b>	417,368
Amount due to a non-controlling interest		<b>22,513</b>	15,467
Lease liabilities – current portion		<b>3,989</b>	3,721
Contract liabilities		<b>3,584</b>	17,012
Deferred income		<b>714</b>	2,182
Income tax payable		<b>9,290</b>	8,165
Bank borrowings	<i>14</i>	<b>421,200</b>	406,382
		<b>779,309</b>	870,297
<b>NET CURRENT ASSETS</b>		<b>1,084,300</b>	1,060,372
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,243,740</b>	1,272,872

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>15,935</b>	15,935
Share premium and reserves	<b>435,536</b>	420,803
	<hr/>	<hr/>
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>	<b>451,471</b>	436,738
Non-controlling interests	<b>786,629</b>	821,145
	<hr/>	<hr/>
<b>TOTAL EQUITY</b>	<b>1,238,100</b>	1,257,883
	<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>1,355</b>	1,549
Lease liabilities – non-current portion	<b>2,202</b>	1,718
Deferred income	<b>2,083</b>	11,722
	<hr/>	<hr/>
	<b>5,640</b>	14,989
	<hr/>	<hr/>
<b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>	<b>1,243,740</b>	1,272,872
	<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 1. GENERAL INFORMATION

China Silver Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 19 July 2012 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 28 December 2012.

The address of the registered office is Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111, Cayman Islands and principal place of business in Hong Kong of the Company is Unit 5, 17/F, China Merchants Tower, Shun Tak Centre, 168- 200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are (i) the manufacture, sale and trading of silver ingots, palladium and other non-ferrous metals in the People’s Republic of China (the “**PRC**”); (ii) design and sale of gold, silver, colored gemstones, gem-set and other jewellery products in the PRC; (iii) provide professional electronic platform and related services for trading of silver ingots; and (iv) integrated online-and-offline sales of fresh food in the PRC, and providing related electronic platforms and branding and software as a service (“**SaaS**”) services along the agricultural supply chain in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the same as the functional currency of the Company.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

**2.1(a) New standards and amendments to IFRSs that are mandatorily effective for the current year**

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2023:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The new standards and amendments to standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**2.1(b) New Standards and amendments to IFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

Certain new standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These new standards and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.



### 3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision makers (i.e., the executive directors of the Company) for the purposes of resource allocation and performance assessment, are as follows:

- i) manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC (“**Manufacturing segment**”);
- ii) designing and sales of gold, silver, colored gemstones, gem-set and other jewellery products in the PRC (“**New Jewellery Retail segment**”); and
- iii) integrated online-and-offline sales of fresh food in the PRC, and providing related electronic platforms and branding and SaaS services along the agricultural supply chain in the PRC (“**Fresh Food Retail segment**”).

The operation of silver exchange segment of the Group was discontinued and disposed during the year ended 31 December 2023. The segment information reported on the next pages does not include any amounts for the discontinued operation, which are described in more detail in note 12.

The Group's operating segments also represent its reportable segments.

#### (a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

##### *For the year ended 31 December 2023*

	Manufacturing segment <i>RMB'000</i>	New Jewellery Retail segment <i>RMB'000</i>	Fresh Food Retail segment <i>RMB'000</i>	Segment total <i>RMB'000</i>	Elimination <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Continuing operations</b>						
<b>Revenue</b>						
External sales	5,044,548	410,458	90,074	5,545,080	–	5,545,080
Inter-segment sales*	48,427	–	–	48,427	(48,427)	–
<b>Total segment revenue</b>	<b>5,092,975</b>	<b>410,458</b>	<b>90,074</b>	<b>5,593,507</b>	<b>(48,427)</b>	<b>5,545,080</b>
<b>Results</b>						
Segment results	55,531	(7,837)	(26,943)	20,751		20,751
<b>Non-segment items</b>						
Unallocated income, expenses, gains and losses						(18,219)
Gain on disposal of discontinued operation						1,636
Unallocated finance costs						(25,662)
<b>Loss before income tax from continuing operations</b>						<b>(21,494)</b>
Income tax expense						(957)
<b>Loss for the year from continuing operations</b>						<b>(22,451)</b>

\* *Inter-segment sales are carried out on terms agreed between counterparties.*

***For the year ended 31 December 2022 (Restated)***

	Manufacturing segment <i>RMB'000</i>	New Jewellery Retail segment <i>RMB'000</i>	Fresh Food Retail segment <i>RMB'000</i>	Segment total <i>RMB'000</i>	Elimination <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Continuing operations</b>						
<b>Revenue</b>						
External sales	1,441,305	280,463	1,509,807	3,231,575	–	3,231,575
Inter-segment sales*	<u>83,669</u>	<u>41</u>	<u>–</u>	<u>83,710</u>	<u>(83,710)</u>	<u>–</u>
<b>Total segment revenue</b>	<b><u>1,524,974</u></b>	<b><u>280,504</u></b>	<b><u>1,509,807</u></b>	<b><u>3,315,285</u></b>	<b><u>(83,710)</u></b>	<b><u>3,231,575</u></b>
<b>Results</b>						
Segment results	<u>(22,368)</u>	<u>(9,105)</u>	<u>(18,111)</u>	<u>(49,584)</u>		(49,584)
<b>Non-segment items</b>						
Unallocated income, expenses, gains and losses						(13,144)
Unallocated finance costs						<u>(22,330)</u>
<b>Loss before income tax from continuing operations</b>						(85,058)
Income tax expense						<u>(534)</u>
<b>Loss for the year from continuing operations</b>						<b><u>(85,592)</u></b>

\* *Inter-segment sales are carried out on terms agreed between counterparties.*

(b) **Segment assets and liabilities**

An analysis of the Group's assets and liabilities by operating and reportable segment is as follows:

**At 31 December 2023**

	Manufacturing segment <i>RMB'000</i>	New Jewellery Retail segment <i>RMB'000</i>	Fresh Food Retail segment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Assets</b>				
Segment assets	<u>456,673</u>	<u>1,507,768</u>	<u>57,048</u>	<u>2,021,489</u>
Unallocated corporate assets				<u>1,560</u>
Total assets				<u><u>2,023,049</u></u>
<b>Liabilities</b>				
Segment liabilities	<u>515,851</u>	<u>171,604</u>	<u>80,313</u>	<u>767,768</u>
Unallocated corporate liabilities				<u>17,181</u>
Total liabilities				<u><u>784,949</u></u>

**At 31 December 2022 (Restated)**

	Manufacturing segment <i>RMB'000</i>	New Jewellery Retail segment <i>RMB'000</i>	Fresh Food Retail segment <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Assets</b>				
Segment assets	<u>483,171</u>	<u>1,535,864</u>	<u>76,841</u>	2,095,876
Assets of discontinued operation				36,866
Unallocated corporate assets				<u>10,427</u>
Total assets				<u><u>2,143,169</u></u>
<b>Liabilities</b>				
Segment liabilities	<u>586,457</u>	<u>193,981</u>	<u>72,751</u>	853,189
Liabilities of discontinued operation				17,262
Unallocated corporate liabilities				<u>14,835</u>
Total liabilities				<u><u>885,286</u></u>

(c) **Other segment information**

***For the year ended 31 December 2023***

	<b>Manufacturing segment <i>RMB'000</i></b>	<b>New Jewellery Retail segment <i>RMB'000</i></b>	<b>Fresh Food Retail segment <i>RMB'000</i></b>	<b>Unallocated <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Amounts included in the measure of segment profit or loss or segment assets</b>					
<b>Continuing operations</b>					
Amortisation of intangible assets	(361)	–	(775)	–	(1,136)
Depreciation of property, plant and equipment	(11,989)	(3,885)	(102)	–	(15,976)
Depreciation of right-of-use assets	(435)	(2,598)	(1,443)	(911)	(5,387)
Reversal of (provision for) impairment loss under expected credit loss model, net	180	(2,907)	(11,082)	–	(13,809)
Loss on write-off and disposal of property, plant and equipment	(3,950)	–	–	–	(3,950)
Share of loss of associates	–	–	(28)	–	(28)
	<u>–</u>	<u>–</u>	<u>(28)</u>	<u>–</u>	<u>(28)</u>

***For the year ended 31 December 2022 (Restated)***

	<b>Manufacturing segment <i>RMB'000</i></b>	<b>New Jewellery Retail segment <i>RMB'000</i></b>	<b>Fresh Food Retail segment <i>RMB'000</i></b>	<b>Unallocated <i>RMB'000</i></b>	<b>Total <i>RMB'000</i></b>
<b>Amounts included in the measure of segment profit or loss or segment assets</b>					
<b>Continuing operations</b>					
Amortisation of intangible assets	(362)	–	(774)	–	(1,136)
Depreciation of property, plant and equipment	(11,961)	(4,560)	(77)	–	(16,598)
Depreciation of right-of-use assets	(368)	(2,598)	–	(1,364)	(4,330)
Provision for impairment loss under expected credit loss model, net	(102)	(812)	(737)	–	(1,651)
Loss on write-off and disposal of property, plant and equipment	(5,622)	(568)	(1)	–	(6,191)
	<u>(5,622)</u>	<u>(568)</u>	<u>(1)</u>	<u>–</u>	<u>(6,191)</u>

(d) **Geographical information**

The Group's operations are located in the mainland of the PRC. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2023 RMB'000	2022 RMB'000 (Restated)	2023 RMB'000	2022 RMB'000 (Restated)
<b>Continuing operations</b>				
The mainland of the PRC	<b>5,545,080</b>	3,231,575	<b>153,989</b>	170,491
Hong Kong	–	–	<b>742</b>	1,054
	<b><u>5,545,080</u></b>	<b><u>3,231,575</u></b>	<b><u>154,731</u></b>	<b><u>171,545</u></b>
<b>Discontinued operation</b> (note 12)				
The mainland of the PRC	<b>13,111</b>	14,769	–	26,550
	<b><u>5,558,191</u></b>	<b><u>3,246,344</u></b>	<b><u>154,731</u></b>	<b><u>198,095</u></b>

Note: Non-current assets excluded financial instruments, deferred tax assets and refundable rental deposits.

(e) **Information about major customers**

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue is as follows:

	2023 RMB'000	2022 RMB'000
Customer A <sup>#</sup>	<b>1,374,632</b>	N/A*
Customer B <sup>#</sup>	<b>827,958</b>	N/A*
Customer C <sup>#</sup>	<b><u>637,328</u></b>	<b><u>N/A*</u></b>

<sup>#</sup> Revenue from sales of palladium in Manufacturing segment.

\* The corresponding revenue did not contribute over 10% of the total revenue of the Group during the relevant financial year.

#### 4. REVENUE

##### i) Disaggregation of revenue from contracts with customers

	2023	2022
Segments	<i>RMB'000</i>	<i>RMB'000</i>
<b>Continuing operations</b>		(Restated)
<b>By types of goods and services</b>		
<b>Manufacturing segment</b>		
– Sales of silver ingots	5,044,548	1,425,756
– Sales of palladium	–	6,956
– Sales of other metal by-products	–	8,593
	<u>5,044,548</u>	<u>1,441,305</u>
<b>New Jewellery Retail segment</b>		
– Sales of gold products	300,701	161,559
– Sales of silver products	104,149	115,368
– Sales of colored gemstones	3,105	2,842
– Sales of gem-set and other jewellery products	2,503	694
	<u>410,458</u>	<u>280,463</u>
<b>Fresh Food Retail segment</b>		
– Sales of fresh food products	90,074	1,509,807
	<u>90,074</u>	<u>1,509,807</u>
<b>Total</b>	<u><u>5,545,080</u></u>	<u><u>3,231,575</u></u>

All of the revenue are recognised at a point in time during the years ended 31 December 2023 and 2022.

## 5. OTHER GAINS AND LOSSES, NET

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Continuing operations		
Net exchange loss	(7,639)	(3,301)
Loss on write-off and disposal of property, plant and equipment	(3,950)	(6,191)
Gain on disposal of discontinued operation ( <i>note 12</i> )	1,636	–
Others	–	19
	<u>(9,953)</u>	<u>(9,473)</u>

## 6. INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Continuing operations		
The PRC Enterprise Income Tax (“EIT”)		
– current year	1,124	–
– overprovision in respect of prior years	–	(167)
	<u>1,124</u>	<u>(167)</u>
Deferred taxation – current year	(167)	701
	<u>957</u>	<u>534</u>

The Group had no assessable profits subject to tax in any jurisdictions other than the PRC for both years.

Under the Law of the PRC on EIT (the “EIT Law”) and its related implementation regulations, the Group’s PRC subsidiaries are subject to the PRC EIT at the statutory rate of 25% from 1 January 2008 onward.

## 7. LOSS FOR THE YEAR

Expenses included in cost of sales and services provided, selling and distribution expenses and administrative expenses are analysed as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Continuing operations</b>		(Restated)
Directors' emoluments	<b>4,652</b>	4,468
Other staff costs:		
– Salaries and other allowances	<b>31,199</b>	30,619
– Retirement benefit scheme contributions	<b>3,501</b>	4,811
Total staff costs	<b>39,352</b>	39,898
Auditor's remuneration	<b>2,063</b>	1,975
Amortisation of intangible assets	<b>1,136</b>	1,136
Depreciation of property, plant and equipment	<b>15,976</b>	16,598
Depreciation of right-of-use assets	<b>5,387</b>	4,330
Cost of inventories and services recognised as expenses (included in cost of sales and services provided)	<b>5,435,957</b>	3,165,768
Expenses on short-term leases in respect of office premises and retail shops	<b>127</b>	1,578
Pollutant handling fees	<b>–</b>	4,366

## 8. DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company for both years, nor has any dividend been proposed since the end of the reporting period.



## 9. PROFIT (LOSS) PER SHARE

The calculations of the basic and diluted profit (loss) per share attributable to the Owners of the Company are based on the following data:

	2023	2022 (Restated)
<b>Profit (loss)</b>		
Profit (loss) for the year attributable to the Owners of the Company from continuing operations for the purposes of basic and diluted profit (loss) per share (RMB'000)	12,065	(61,522)
Profit (loss) for the year attributable to the Owners of the Company from discontinued operation for the purposes of basic and diluted profit (loss) per share (RMB'000)	<u>2,484</u>	<u>(59,244)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic profit (loss) per share (in thousand)	1,954,081	1,868,422
Effects of dilutive potential ordinary shares:		
– Share options of the Company (in thousand)	<u>–</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted profit (loss) per share (in thousand)	<u>1,954,081</u>	<u>1,868,422</u>

For the year ended 31 December 2023 and 2022, the computation of diluted profit (loss) per share does not assume the exercise of the Company's outstanding options because the effect of exercise of these options was anti-dilutive.

## 10. TRADE AND OTHER RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Classified under non-current assets</b>		
Refundable rental deposits	—	762
<b>Classified under current assets</b>		
Trade receivables for contracts with customers	79,354	35,199
Less: allowance for expected credit losses in respect of trade receivables	<u>(22,293)</u>	<u>(14,343)</u>
	<b><u>57,061</u></b>	<b><u>20,856</u></b>
Other receivables, deposits and prepayments	70,669	67,034
Prepayments to suppliers ( <i>Note i</i> )	4,644	3,227
Value-added tax (“VAT”) recoverable	15,359	20,477
Refundable rental deposits	919	-
Less: allowance for expected credit losses in respect of other receivables	<u>(5,859)</u>	<u>-</u>
	<b><u>142,793</u></b>	<b><u>111,594</u></b>

*Note:*

- (i) The balance represents prepayments for purchase of inventories under the Group’s Manufacturing and New Jewellery Retail segments.

Before accepting any new customer, other than those settling by cash or credit card, the Group assesses the potential customer’s credit quality and defines its credit limits based on reputation of the customer in the industry. The Group generally grants its customers a credit period ranging from 1 to 90 days and requires advance deposits from its customers before delivery of goods.

The ageing analysis of the Group's trade receivables net of allowance for credit losses presented based on the invoice dates at the end of the reporting period is as follows:

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	<b>51,317</b>	17,694
31 to 60 days	<b>633</b>	732
61 to 90 days	<b>188</b>	312
Over 90 days	<b>4,923</b>	2,118
	<b>57,061</b>	20,856

As at 31 December 2023, included in the Group's trade receivables, net of allowance of credit losses, were debtors with an aggregate carrying amount of RMB5,894,000 (2022: RMB10,953,000) which were past due as at the reporting date. Out of the past due balances, RMB4,618,000 (2022: RMB1,772,000) has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer. The Group does not hold any collateral over these balances.

#### 11. PROVISION FOR IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
<b>Continuing operations</b>		
Provision for impairment loss recognised, net		
– trade receivables	<b>7,950</b>	1,651
– other receivables	<b>5,859</b>	-
	<b>13,809</b>	1,651

#### 12. DISCONTINUED OPERATION

On 28 September 2023, the Group entered into the Share Purchase Agreement with an independent third party in relation to the disposal of entire equity interest of a wholly-owned subsidiary, Ultimate Deal Group Limited (“**Ultimate Deal**”, together with its subsidiaries (collectively referred to as the “**Shanghai Huatong Group**”) which carried out all of the Group's silver exchange business), for a consideration of RMB8,000,000. The disposal was completed on 1 November 2023, on which date control of Ultimate Deal passed to the acquirer.

Following the disposal of Ultimate Deal, the Group discontinued its operation in silver exchange business. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the Silver Exchange segment as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(a) **Financial performance and cash flow information**

	<b>For the ten months ended 31 October 2023 RMB'000</b>	For the year ended 31 December 2022 RMB'000
Revenue	13,111	14,769
Cost of services provided	<u>(2,377)</u>	<u>(6,009)</u>
Gross profit	10,734	8,760
Other income, net	2,545	2,335
Other gains and losses, net	(39)	16
Selling and distribution expenses	(50)	(32)
Administrative expenses	(10,503)	(21,314)
Impairment loss on intangible assets	<u>–</u>	<u>(57,678)</u>
Profit (loss) before income tax	2,687	(67,913)
Income tax (expense) credit	<u>(203)</u>	<u>8,669</u>
<b>Profit (loss) for the period/year from discontinued operation</b>	<b><u>2,484</u></b>	<b><u>(59,244)</u></b>
<b>Profit (loss) for the period/year from discontinued operation includes the following:</b>		
Other staff costs:		
– Salaries and other allowances	2,740	3,568
– Retirement benefit scheme contributions	<u>1,084</u>	<u>1,480</u>
Total staff costs	<u>3,824</u>	<u>5,048</u>
Amortisation of intangible assets	2,802	11,043
Depreciation of property, plant and equipment	951	1,143
Depreciation of right-of-use assets	3	4
Cost of services recognised as expenses (included in cost of services provided)	<u>2,377</u>	<u>6,009</u>
<b>Cash flow from discontinued operation:</b>		
Net cash outflow from operating activities	(107)	(367)
Net cash (outflow) inflow from investing activities	(114)	211
Net cash outflow from financing activities	<u>–</u>	<u>(5)</u>
Net decrease in cash and cash equivalents in the discontinued operation	<b><u>(221)</u></b>	<b><u>(161)</u></b>

Analysis of net cash flow in respect of the disposal of discontinued operation is as follows:

	<b>RMB'000</b>
Cash consideration received	8,000
Cash and cash balances disposed of	<u>(2,603)</u>
	<u>5,397</u>

**(b) Details of the disposal of discontinued operation**

	<b>RMB'000</b>
Consideration received	8,000
Carrying amount of net assets sold	(5,925)
Transaction costs and other closing adjustments	<u>(439)</u>
Gain on disposal of discontinued operation ( <i>note 5</i> )	<u>1,636</u>

The carrying amounts of assets and liabilities in relation to the discontinued operation as at 31 October 2023 were:

	<b>RMB'000</b>
<b>Non-current assets</b>	
Property, plant and equipment	1,396
Right-of-use assets	1
Intangible assets	21,473
Deferred tax assets	1,375
Equity instrument at FVTOCI	<u>7,532</u>
	----- 31,777
<b>Current assets</b>	
Trade and other receivables	1,464
Restricted bank balances	35,326
Bank balances and cash	<u>2,603</u>
	----- 39,393
Total assets	<u>71,170</u>
<b>Current liabilities</b>	
Trade and other payables	37,099
Amount due to 上海華通白銀國際交易中心 (“ <b>Huatong International</b> ”)	18,977
Deferred income	<u>1,468</u>
	----- 57,544
<b>Non-current liability</b>	
Deferred income	----- 7,701
Total liabilities	<u>65,245</u>

### 13. TRADE, BILLS AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	42,031	32,912
Other payables and accrued expenses ( <i>Note i</i> )	105,771	119,515
Bills payables ( <i>Note ii</i> )	147,800	206,800
Deposits received for using the silver exchange platform	–	5,291
Amount due to Huatong International ( <i>Note iii</i> )	–	19,184
VAT and other tax payables	15,004	13,453
Accrued restoration cost for environment in Jiangxi Longtianyong Nonferrous Metals Co., Ltd.* (江西龍天勇有色金屬有限公司) (“ <b>Jiangxi Longtianyong</b> ”)	–	12,800
Provision for termination of assignment contracts ( <i>Note iv</i> )	7,413	7,413
	<u>318,019</u>	<u>417,368</u>

*Notes:*

- i) Included in the other payables are payables for office leasehold improvement amounting to nil (2022: RMB10,084,000), interest payables amounting to RMB147,000 (2022: RMB248,000) and amounts due to third parties amounting to RMB8,227,000 (2022: RMB8,227,000).
- ii) As at 31 December 2023, bills payables amounting to RMB147,800,000 (2022: RMB206,800,000) are secured by pledged bank deposits of RMB107,900,000 (2022: RMB166,900,000).
- iii) Huatong International is a company which the Group previously held 18% equity interest in and accounted for as equity investment at FVTOCI. The amount was non-trade in nature, unsecured, interest-free and repayable on demand. During the year ended 31 December 2023, Huatong International was disposed of together with the discontinued operation (see note 12).
- iv) In September 2018, Huzhou Baiyin Property Co., Ltd.\* (湖州白銀置業有限公司) (“**Huzhou Baiyin**”), an indirect wholly-owned subsidiary of the Group entered into an assignment contract (the “**Contract**”) with Huzhou South Taihu New District Management Committee (the “**Committee**”) and Huzhou Municipal Bureau of Natural Resources and Planning (the “**Bureau**”) in relation to the acquisition of the land use right over a piece of land located in Huzhou, the PRC (the “**Acquisition**”). The total consideration for the land use right was RMB285,000,000.

On 29 and 30 June 2020, Huzhou Baiyin entered into a termination agreement (the “**Termination Agreement**”) with the Committee and the Bureau, and a compensation agreement with the Committee, pursuant to which the Committee and the Bureau agreed to terminate the Contract and the Committee agreed to refund the deposits received amounting to RMB270,875,000 (the “**Compensation Sum**”) and compensate for (i) the capital expenditure and other expenses incurred by the Group in connection with the exploration, design and pre-construction works on the land; and (ii) certain taxes paid by another indirect wholly-owned subsidiary of the Group.

As at 31 December 2021, the Group had already paid an aggregate amount of RMB290,094,000 in relation to the Acquisition and fully received the Compensation Sum. As at 31 December 2023, however, certain pre-construction costs that had been incurred before the termination of the Acquisition remained payable by the Group, which amounted to RMB7,413,000 (2022: RMB7,413,000).

\* *The English name is for identification only.*

The ageing analysis of the Group's trade payables based on the invoice dates at the end of the reporting period is as follows:

	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
0 to 30 days	<b>17,659</b>	6,845
31 to 60 days	<b>60</b>	1,750
61 to 90 days	<b>292</b>	343
Over 90 days	<b>24,020</b>	23,974
	<b>42,031</b>	32,912

The credit period of purchase of goods and subcontracting costs on processing silver products generally ranges from 1 to 90 days.

#### 14. BANK BORROWINGS

	<b>2023</b> <b>RMB'000</b>	2022 <b>RMB'000</b>
Secured bank borrowings carrying interest at fixed rate, repayable within one year and without repayment on demand clause	<b>189,500</b>	223,382
Secured bank borrowings carrying interest at floating rate, repayable within one year and without repayment on demand clause	<b>231,700</b>	183,000
	<b>421,200</b>	406,382

The effective interest rate of the Group's bank borrowings (which is also equal to contracted interest rate) during the year is as follows:

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Effective interest rate per annum	<u><u>5.52%</u></u>	<u><u>5.60%</u></u>

The total banking facility granted to the Group amounted to RMB445,000,000 (2022: RMB480,331,000) of which RMB421,200,000 (2022: RMB406,382,000) was utilised.

As at 31 December 2023, bank borrowings are secured and/or guaranteed by (i) leasehold land and building with aggregate carrying amount of RMB15,807,000 and RMB57,766,000 respectively; (ii) personal guarantee and properties held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties; and (iv) personal guarantee from directors of subsidiaries (2022: (i) leasehold land and building with aggregate carrying amount of RMB16,025,000 and RMB61,205,000 respectively; (ii) personal guarantee and properties held by a director of the Company, Mr. Chen Wantian and his spouse; (iii) corporate guarantee and certain assets of a supplier and independent third parties; and (iv) personal guarantee from directors of subsidiaries).

Bank borrowings of RMB189,500,000 as at 31 December 2023 (2022: RMB223,382,000) carry interest at fixed rates, ranging from 4.25% to 5.61% (2022: from 3.90% to 14.40%) per annum and RMB231,700,000 (2022: RMB183,000,000) carry interest at loan prime rate plus from 0.91% to 2.80% (2022: from 0.96% to 2.80%) per annum.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the year ended 31 December 2023, the Group had four business segments, including (i) Manufacturing segment, i.e. manufacturing, sales and trading of silver ingots, palladium and other non-ferrous metals in the PRC; (ii) New Jewellery Retail segment operated under CS Mall Group Limited (stock code: 1815) (“**CS Mall Group**”), i.e. designing and online and offline integrated sales of gold, silver, colored gemstones, gemset and other jewellery products in the PRC; (iii) Fresh Food Retail segment also under CS Mall Group, i.e. integrated online-and-offline sales of fresh food in the PRC, and providing related electronic platforms and branding and software as a service (“**SaaS**”) services along the agricultural supply chain in the PRC; and (iv) Silver Exchange segment, i.e. providing professional electronic platform and related services for trading of silver ingots in the PRC. As disclosed in the announcements dated 28 September 2023 and 1 November 2023, after considering the various adverse macro factors related to the operation of the silver exchange platform, the Group entered into a Share Purchase Agreement to dispose of the Silver Exchange segment on 28 September 2023 and the disposal was completed on 1 November 2023.

For the year ended 31 December 2023, excluding the Silver Exchange segment (shown as discontinued operation), which has been disposed of, the Group recorded sales of approximately RMB5,545.1 million (2022: RMB3,231.6 million), representing a significant increase of approximately 71.6% over last year, mainly due to the better sales performance of the Manufacturing segment and New Jewellery Retail segment, offsetting the decline in sales of Fresh Food Retail segment. For the year ended 31 December 2022, the loss attributable to owners of the Company amounted to approximately RMB120.8 million, as compared to the net profit attributable to the Owners of the Company of approximately RMB14.5 million for the year ended 31 December 2023. The turnaround from loss to profit on a year-on-year basis was mainly due to the following factors:

- i. in respect of the Group’s Manufacturing segment, as the silver electrolysis production line and palladium sponge production line have successively been put into operation on a commercial scale since June and August 2022 after the segment’s suspension of production for more than a year, the amount of external sales of silver ingots for this year was significantly higher than that for last year. Besides, output-value-based subsidies provided by the local government led to a slight reduction in the per-unit cost of sales. These reasons resulted in a net profit for the segment for this year as compared to a net loss for the segment for last year; and

- ii. in respect of the Group's Silver Exchange segment (a part of the Group before 1 November 2023), the segment recorded a loss in last year, primarily due to the recognition of non-recurring impairment losses of approximately RMB57.7 million on certain intangible assets in last year and the absence of recognition of impairment losses on such intangible assets in this year. In addition, with the slight improvement in cost control, the segment recorded a slight segment profit for the first ten months of this year, compared to the segment loss recorded in last year.

The aforesaid factors were partially offset by the following unfavourable factors:

- iii. in respect of the Group's New Jewellery Retail segment operated under CS Mall Group, a non-wholly-owned subsidiary of the Company, although sales for this year increased compared to last year, the increase was primarily due to an increase in sales of gold products with a lower gross margin than other jewellery products, resulting in a decrease in the segment's overall gross margin and a segment loss recorded for this year;
- iv. in respect of the Group's Fresh Food Retail segment operated under CS Mall Group, the "Nongmuren" S2B2C platform was still in a consolidation stage with a focus on optimizing its network of collaborative stores, diversifying its product offerings and adjusting its business strategies. Besides, the average hog prices in Mainland China this year was lower than that in last year, which reduced the shopkeepers' appetite for trade and thus amount of hog transacted. For these reasons, the sales volume for this year was significantly lower than that for last year, while the cost of sales and other related costs and expenses were also significantly reduced accordingly. Overall, given its status of development, the segment had not started to generate a net profit in this year.

### **Manufacturing Segment**

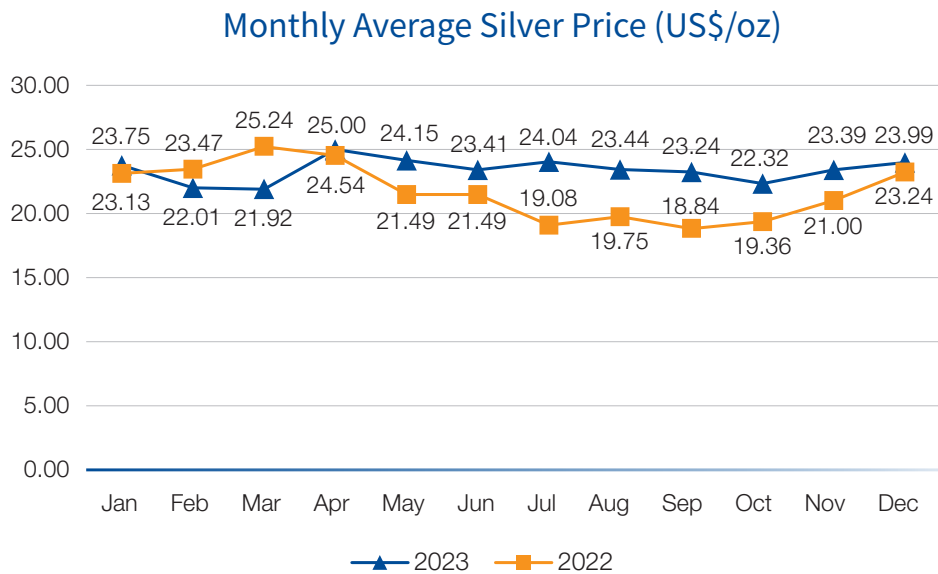
The Group's Manufacturing segment focuses on the manufacturing of high-grade silver ingots for industrial and trading purposes and is one of the leading silver producers in the PRC. Meanwhile, the Group applies a proprietary production model to manufacture high quality silver ingots, palladium and the metal by-products derived therefrom.

The production activities of Jiangxi Longtianyong Nonferrous Metals Co., Ltd.\* (江西龍天勇有色金屬有限公司) (“**Jiangxi Longtianyong**”), a major subsidiary under the Manufacturing segment of the Group, had been suspended since 26 April 2021 due to the contravention by its production and storage facilities of certain national environmental laws. However, with the adoption of rectification measures including the demolition of non-compliant facilities and construction of compliant facilities, Jiangxi Longtianyong has practically resumed the production activities of the silver electrolysis production line on a commercial scale since mid-June 2022, and the palladium sponge production line has been officially put into operation on a commercial scale since 25 August 2022.

Further details of the suspension of production and subsequent developments are set out in the announcements published on 7 June 2021, 25 August 2021, 22 February 2022, 17 June 2022 and 26 August 2022.

For the year ended 31 December 2023, the Group’s Manufacturing segment generated external sales of approximately RMB5,044.5 million, representing a significant increase of approximately 250.0% as compared to approximately RMB1,441.3 million for the year ended 31 December 2022. Substantially all sales for 2022 and all sales for 2023 were from revenue from sales of silver ingots. Following the segment’s production suspension for over a year since April 2021, the silver electrolysis production line and palladium sponge production line were sequentially put into operation on a commercial scale from June and August 2022. This resumption, along with favorable local government policies, greatly contributed to the significant increase in the external sales of silver ingots in this year. Besides, output-value-based subsidies provided by the local government led to a slight reduction in the per-unit cost of sales. These reasons resulted in a segment profit for 2023 of approximately RMB55.5 million (2022: segment loss of approximately RMB22.4 million).

The graph below shows the change in international silver price quoted on the London Bullion Market Association from January 2022 to December 2023:



### **New Jewellery Retail Segment Operated under CS Mall Group**

Since 2014, we have diversified from the traditional Manufacturing segment to the downstream New Jewellery Retail segment which is now operated under our non-wholly-owned subsidiary, CS Mall Group. Apart from leveraging our strength and resources in the upstream business, CS Mall Group has optimized its sales and marketing strategies since 2018 and gradually shifted its focus to high-margin silver jewellery products.

In 2023, the sales strategy of the New Jewellery Retail segment was primarily focused on gold and silver, supplemented by gemstones and jewellery. Benefited from the significant increase in gold price, gold sales increased significantly by approximately 86.1% as compared to the last year. During the year, gold price rose sharply, and in the second half of the year, gold price was reaching a peak of RMB490/g and close to RMB500/g and remained at a high level, which led to a significant increase in our gold sales compared to the last year.

Building upon the foundation of our silver and gold business, we also developed a new business, i.e. the lab-grown diamond brand SISI. We invested significant amount of funds and efforts on brand planning, marketing, product design, team structure adjustment and expansion and regional agency nationwide of this project. After intensive preparations, the products of the brand SISI gradually entered the market.

Compared with overseas markets, the lab-grown diamond industry in China is still in a relatively early stage of development. At present, Chinese consumers' awareness of the concept of lab-grown diamond and its advantages is still low. However, the industry has huge growth potential. It is expected that after a year or two of extensive promotion, consumers' awareness can be greatly improved and the market will expand rapidly, contributing to the major breakthroughs in the lab-grown diamond industry.

Compared to natural diamonds, lab-grown diamonds are more sustainable, with the impact on the environment significantly lower than that of mined diamonds. As consumers become more aware of sustainability and ethical purchasing, lab-grown diamonds are gaining popularity among the younger generation as an environmentally friendly, socially responsible and affordable option.

The improvement of the standardization and appraisal system of the lab-grown diamond industry is continuously empowering the industry chain, providing more professional endorsements and helping major brands to deploy lab-grown diamond jewellery series, and commencing a golden period for the development of lab-grown diamond. Since 2020, the number of lab-grown diamond brands in China has gradually increased, and leading jewellery brands began to proactively deploy resources for the lab-grown diamond market. SISI differentiates itself from the monotonous marketing and sales methods of other lab-grown diamonds brands currently on the market, SISI adheres to “one source for one diamond” and focuses on “growing warm jewellery-grade DNA diamonds for love” with the brand concept of “growing diamonds for love”. The concept is applied in various life scenes, e.g. “Love Diamond”, “Lanugo Diamond”, “Family Diamond”, “Pet Diamond”, “Friendship Diamond”, and “Self-Pleasing Diamond”, to connect the emotions of new life, encounter, companionship and commemoration. In contrast to traditional jewellery sales channels, we plan to promote this to-be-popularized brand through online new media platforms, and recruit offline city agents, so that we are able to leverage the customer base of pet stores, confinement centers and beauty salons to promote and sell SISI products. By sharing the benefits of the high profit margin of lab-grown diamonds to channel dealers, this model allows us to rapidly expand our distribution channels effectively. Moreover, given its customized nature, this product will require a minimal inventory and the cost advantage will become the highlight of this new business. In addition to lab-grown diamonds, the Group also continues to be optimistic about the room for appreciation and market potential of colored gemstones. Due to the scarcity and the value preservation and value appreciation attributes of rubies, the Group will carefully consider its sales strategy and gradually expand its sales channel, rubies are expected to embark on a long-term and stable price increase.

Due to the Group’s focus on new business initiatives, store expansion was halted and 4 stores were closed during the year, with the total number of stores reduced to 16. In recent years, the Group continued to enhance online sales operations by expanding online sales channels and through new marketing models including short video marketing, e-commerce live streaming and online celebrity (KOL) promotion in reliance on the strong traffic of third-party platforms. During the year, in addition to the existing e-commerce and live streaming sales of product categories, the Group also actively expanded the new business of SISI. The Group launched its new social media-based operating model through WeChat (微信) official account, TikTok (抖音), Xiaohongshu (小紅書), video channel, Weibo (微博), etc., to achieve strong exposure for the SISI brand through content integration. Meanwhile, SISI also established a presence on e-commerce platforms such as Taobao (淘寶) and mall applets (mini-programs), operating through multiple channels to continuously enhance our brand influence.

For the year ended 31 December 2023, the New Jewellery Retail segment of CSmall Group recorded external sales of approximately RMB410.5 million (2022: RMB280.5 million), representing approximately 7.4% of the Group's total revenue (2022: 8.7%), and recorded a segment loss of approximately RMB7.8 million (2022: RMB9.1 million).

### ***Online Sales Channels***

In 2023, our third-party online platforms included JD.com (京東), Suning (蘇寧), Tmall (天貓), WeChat (微信), TikTok (抖音) and Xiaohongshu (小紅書) and 13 television and video shopping channels in the PRC to promote and sell our jewellery products. We also became a core supplier in the gold, silver and jewellery category of all top television channels, which enabled us to achieve satisfactory sales performance. With a daily coverage of over 100 million home viewers in the PRC, our brand awareness among a vast population of Chinese viewers of television and video shopping channels was enhanced substantially.

Short-video promotion and online celebrity (KOL) promotion have become standard practices in our brand marketing, and their content has also become the core element of every aspect of our brand marketing, sales and operation.

### ***Offline Retail and Service Network***

#### ***(1) CSmall Shops***

For the year ended 31 December 2023, due to the development of the new business, the Group ceased to expand existing stores and adjusted the layout of offline business outlets by closing 4 stores. As of 31 December 2023, we had 16 franchised CSmall Shops located in 8 provinces and municipalities in the PRC, with presence in Beijing, Gansu, Heilongjiang, Henan, Sichuan, Tibet, Xinjiang and Zhejiang.

#### ***(2) Shenzhen Exhibition Hall***

We sell products at the Shenzhen Exhibition Hall in Shuibei, Shenzhen, which is generally seen as home to the PRC's largest and leading jewellery trading and wholesale market. The Shenzhen Exhibition Hall serves as an interactive exhibition and sales platform primarily for our wholesale customers as well as franchisees.

## **Fresh Food Retail Segment Operated under CS Mall Group**

On 31 December 2021, the Group entered into an investment agreement for investment and control in Jiangsu Nongmuren Electronic Business Corp.\* (江蘇農牧人電子商務股份有限公司) which is the developer and operator of the 「農牧人」 (“Nongmuren”, meaning farmers and herdsmen) S2B2C (supply chain to business to customer) platform. The “Nongmuren” S2B2C platform, officially launched in May 2021, provides branding and SaaS (software as a service) services to enterprises along the agricultural supply chain as well as small and medium-sized businesses in China. Through the investment, the Group expands its business operations from the new jewellery retail (non-essential good) to the new agricultural products retail (an essential good), thereby digitally empowering another traditional industry, namely the agricultural products industry, and promoting the modernization of the agricultural sector. This business grew rapidly during the epidemic and brought encouraging revenue to the Group in 2022. The sharp decline in performance in 2023 as compared with 2022 was due to the following two significant adjustments made in 2023 that led to a shift from the model of pursuing rapid expansion to a profit-driven model of refined operation.

Firstly, as the meat market in China saw a downward trend in pork prices and the overall pork consumption declined during the year, and in light of the diversion of business by the resumption of traditional fresh food model after the epidemic, the Group suspended the rapid expansion model of the original “Meat Shopkeeper (肉掌櫃)” business focusing on pork during the year and reduced the number of stores, resulting in a significant decrease in the sales of pork. However, during the year, the overall consumption of beef, lamb and other meat markets in China increased. Therefore, leveraging the foundation of the sheep and cattle industry chains established in last year, the focus of the Group this year was placed on exploring more competitive product categories and establishing Beef Shopkeeper (牛掌櫃), Lamb Shopkeeper (羊掌櫃), Noodle Shopkeeper (麵掌櫃) and other new shopkeepers of different forms. The Group also leaned toward these new business lines in terms of product development, team deployment and capital investment. In order to reduce costs and increase efficiency, the Group implemented a hierarchical approach of management and supply system on existing stores, adjusted market strategies, and reduced corresponding marketing expenses, thereby reducing losses. Funds were invested towards building supply chain capacity and development of new business lines. In addition, the Group continued to look for a better meat supply chain to minimize supply costs and provide higher profits for subsequent sales.

Secondly, while the original profit model was to charge technical service fees from merchants, we now turn merchants into franchisees, which lead to better and more refined management and also allow us to earn the price spread through the supply chain. The strategic focus shifted from expansion of stores to deepened development of stores. In particular, the focus was placed on strengthening the establishment of an upstream industry chain system in the supply chain. The main goal is to have a better grasp of the upstream price indices and quality systems and establish the traceability of the whole industry chain from upstream to downstream.



In 2023, the Fresh Food Retail segment recorded revenue of approximately RMB90.1 million (2022: RMB1,509.8 million), accounting for approximately 1.6% of the Group's total revenue (2022: 46.5%). In 2023, the Fresh Food Retail segment recorded a segment loss of approximately RMB26.9 million (2022: RMB18.1 million).

### **Silver Exchange Segment (shown as discontinued operation)**

In 2016, the Group further expanded the downstream business by acquiring Shanghai Huatong Silver Exchange Company Limited\* (上海華通鈾銀交易市場有限公司) (“**Shanghai Huatong**”). Shanghai Huatong is the operator of an integrated silver exchange platform in the PRC which provides professional and standardized spot goods supply, trading, logistic and e-commerce services. Its official website, [www.huatongsilver.com](http://www.huatongsilver.com) (formerly [www.buyyin.com](http://www.buyyin.com)), has been one of the authoritative web portals for the silver industry in the PRC. The daily spot silver prices quoted by such website are the general reference prices for the silver industry in the PRC.

As disclosed in the announcements dated 28 September 2023 and 1 November 2023, after considering the various adverse macro factors related to the operation of the silver exchange platform, the Group entered into a Share Purchase Agreement to dispose of the Silver Exchange segment on 28 September 2023 and the disposal was completed on 1 November 2023.

For the ten months ended 31 October 2023, the Silver Exchange segment operated by Shanghai Huatong recorded segment revenue of approximately RMB13.1 million, and recorded a segment profit of approximately RMB2.7 million (for the year ended 31 December 2022: segment revenue of RMB14.8 million and segment loss of RMB60.3 million).

## **Prospects**

Since 2023, as China's economic activities have gradually recovered after the epidemic, under the influence of the weakening global economy and geopolitics, the market demand for safe haven assets including silver and gold products remains strong. The Group will continue to focus on the production and sales of silver, palladium, gold and other precious metals as its main core businesses. The Group will not only continue to consolidate its industry position in the precious metal manufacturing business, but also explore and consider suitable business opportunities both within and outside the core industry in a timely manner, e.g. the Group's investment in the Fresh Food Retail segment in December 2021, to expand the scope of business and diversify its business risks.

In addition, while pursuing business performance, the Group will emphasise the sustainability of the precious metals business and strive to maintain higher standards of business practices in respect of environmental protection, especially against the backdrop of the strict enforcement of the Central Ecological and Environmental Protection Inspection Group, which indeed has greatly raised the industry's entry barriers in terms of environmental protection.

For the New Jewellery Retail segment, leveraging the price advantages, environmental friendliness, wide variety (with colored diamonds and special-shaped diamonds), high-tech sense and other attributes of lab-grown diamonds, the Group will continue to deepen its presence in various industries, such as the beauty industry, pet industry, maternal and child industry and e-commerce industry, and will focus on the in-depth construction of a marketing system driven by accurate consumer insights to constantly expand the market size, with the plan of building SISI into the "No. 1 brand of DNA-grown diamonds". Meanwhile, the Group will strengthen product innovation and exert continuous efforts in product research and development and innovation, so as to launch more high-end and distinctive diamond products to meet the needs of different consumer groups and different application scenarios.

With the adjustment of development strategy, the expansion of categories and further strategic cooperation with large-scale enterprises, the Group's Fresh Food Retail Segment will gain better advantages in the supply chain. Meanwhile, for the fresh food S2B2C business, Nongmuren Meat Shopkeeper (農牧人肉掌櫃) stores will be operated in a refined manner. A complete digital system covering every aspect from pig farming to pork sales at community stores will be provided through S2B2C\F2B2C (farm to business to customer), each city will have an independent management system that encompasses store renovation, cash register system, electronic scales and other hardware and software facilities, laying a foundation for a more stable supply chain with price advantages of Nongmuren Meat Shopkeeper for the next year.

The Group also explores and considers suitable business opportunities within and outside of the jewellery industry from time to time to diversify its business risks. The Group is confident that it will continue to bring good returns to shareholders in the future.

Looking ahead, the global risk aversion is expected to remain high and the market demand for hedge products (such as precious metals) will last. Therefore, the Group maintains its confidence in the silver, precious metals and jewellery retail markets.

In view of the above, the Group will continue to operate prudently, leverage its strengths and maintain sustainable profitability. We believe that the recovery of economic activities will be more conducive to the sustainability of the Group's precious metal manufacturing business, the consolidation of its market position and the enhancement of its market share in the long run. In addition, as the New Jewellery Retail segment under CS Mall Group has transitioned from a model of pursuit of rapid expansion to the model of pursuit of profit, following the active development of new business and the Fresh Food Retail segment, and with the market demand steadily resuming to an upward trend, the Group remains confident of its future development.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group for the year ended 31 December 2023 was approximately RMB5,545.1 million (2022: RMB3,231.6 million), representing an increase of approximately 71.6% from that of 2022.

	2023		2022	
	Revenue <i>RMB'000</i>	% of revenue	Revenue <i>RMB'000</i> Restated	% of revenue Restated
<b>Continuing operations</b>				
<b>Manufacturing segment</b>				
Sales of silver ingots	5,044,548	91.0%	1,425,756	44.1%
Sales of palladium	–	–	6,956	0.2%
Sales of lead ingots and other metal by-products	–	–	8,593	0.3%
	<u>5,044,548</u>	<u>91.0%</u>	<u>1,441,305</u>	<u>44.6%</u>
<b>Segments operated under CS Mall Group</b>				
<b>New Jewellery Retail segment</b>				
Sales of gold, silver, colored gemstones, gem-set and other jewellery products	410,458	7.4%	280,463	8.7%
<b>Fresh Food Retail segment</b>				
Sale of fresh food products	<u>90,074</u>	<u>1.6%</u>	<u>1,509,807</u>	<u>46.7%</u>
	<u>500,532</u>	<u>9.0%</u>	<u>1,790,270</u>	<u>55.4%</u>
Total	<u>5,545,080</u>	<u>100.0%</u>	<u>3,231,575</u>	<u>100.0%</u>
<b>Discontinued operation</b>				
<b>Silver Exchange segment</b>				
Commission income	<u>13,111</u>	<u>100.0%</u>	<u>14,769</u>	<u>100.0%</u>
Total	<u><u>13,111</u></u>	<u><u>100.0%</u></u>	<u><u>14,769</u></u>	<u><u>100.0%</u></u>

## **Manufacturing segment**

Sales of silver ingots significantly increased from approximately RMB1,425.8 million for the year ended 31 December 2022 to approximately RMB5,044.5 million for the year ended 31 December 2023, representing a significant increase of approximately 253.8% from that of 2022. During the year, there were no sales of palladium (2022: RMB7.0 million) and sales of lead ingots (2022: RMB8.6 million).

The overall increase in sales was mainly because of the increase in production output of Jiangxi Longtianyong. While Jiangxi Longtianyong's resumption of production activities of its silver electrolysis production line since 17 June 2022, it had recorded for about six months production output for the year ended 31 December 2022 whereas it had recorded a whole year production output for the year ended 31 December 2023.

## **New Jewellery Retail segment operated under CS Mall Group**

For the year ended 31 December 2023, the New Jewellery Retail segment recorded sales of approximately RMB410.5 million (2022: RMB280.5 million), representing an increase of approximately 46.4% as compared to that of 2022, mainly due to the significant rise in sales generated through third-party online sales channels after the Group implemented a series of online promotion campaigns.

## **Fresh Food Retail segment operated under CS Mall Group**

During the year, the Fresh Food Retail segment, which conducts integrated online-and-offline sales of fresh food in the PRC, and provides related electronic platforms and branding and software as a service (“SaaS”) services along the agricultural supply chain in the PRC, recorded sales of approximately RMB90.1 million (2022: RMB1,509.8 million) representing a decrease of approximately 94.0%. The significant decrease was mainly because the “Nongmuren” S2B2C platform was still in a consolidation stage with a focus on optimizing its network of collaborative stores, diversifying its product offerings and adjusting its business strategies with the number of stores reduced. Besides, as hog prices in Mainland China showed a downward trend during the year, the overall trend in the hog farming industry indicated an excessive surplus in production capacity, which reduced the shopkeepers' appetite for trade and thus amount of hog transacted during the year.

## **Silver Exchange segment**

As disclosed in the announcements dated 28 September 2023 and 1 November 2023, after considering the various adverse macro factors related to the operation of the silver exchange platform, the Group entered into a Share Purchase Agreement to dispose of the Silver Exchange segment on 28 September 2023. The disposal was completed on 1 November 2023, recording a gain on disposal of approximately RMB1.6 million. For the ten months ended 31 October 2023, the Silver Exchange segment recorded sales of approximately RMB13.1 million (for the year ended 31 December 2022: RMB14.8 million).

## **Cost of sales and services provided**

Our cost of sales and services provided is comprised of four segments, being:

- (i) cost of sales in Manufacturing segment, mainly represented by the cost of raw materials consumed, purchase cost of silver, direct labor and manufacturing overhead in the manufacturing process. Cost of raw materials consumed and purchase cost of silver accounted for over 90% of cost of sales in the Manufacturing segment. The purchase cost of raw materials is determined by the content levels of silver at market prices at the time of purchase;
- (ii) cost of sales in New Jewellery Retail segment operated under CS Mall Group, mainly represents cost of materials used for the production of gold, silver and jewellery products. Except for silver, other materials like gold, amber and diamond are sourced from independent third parties;
- (iii) cost of sales and services in Fresh Food Retail segment operated under CS Mall Group, mainly represents the cost of purchasing fresh food products from the upstream wholesale suppliers (for example, farms) and other direct distribution cost; and
- (iv) cost of sales and services provided in Silver Exchange segment, the disposal of which was completed on 1 November 2023, mainly represents cost of materials and direct expenses incurred for trading of silver and the operation of the online exchange platform.

The increased cost of sales from the Manufacturing segment was the main reason of the significant increase in our overall cost of sales and services provided. Such increase was due to the increased sales of silver ingots for the year ended 31 December 2023.

## **Gross profit and gross profit margin**

The Group recorded gross profit of approximately RMB109.1 million for the year ended 31 December 2023 (2022: RMB65.8 million), a significant increase of approximately 65.8% as compared to that of 2022. The overall gross profit margin of the Group remained at approximately 2.0% for this year (2022: 2.0%).

## **Selling and distribution expenses**

Selling and distribution expenses decreased by approximately 20.7% from approximately RMB42.0 million for the year ended 31 December 2022 to approximately RMB33.3 million for the year ended 31 December 2023. The decrease was primarily attributed to a significant decline in revenue within the Fresh Food Retail segment, leading to a corresponding reduction in associated selling and distribution expenses.

## **Administrative expenses**

Administrative expenses decreased by approximately 26.1% from approximately RMB79.0 million for the year ended 31 December 2022 to approximately RMB58.4 million for the year ended 31 December 2023. The decrease was primarily attributed to the reclassification of indirect production costs to cost of sales from administrative expenses in the Manufacturing segment due to the resumption of production, whereas there was some suspension cost recorded in administrative expenses in the prior year before resumption of production. Besides, as the Fresh Food Retail segment is in the process of restructuring of business strategy, it also led to a significant decrease in administrative expenses.

### **Other gains and losses**

Other gains and losses increased to a net loss of approximately RMB10.0 million for the year ended 31 December 2023 from approximately a net loss of RMB9.5 million for the year ended 31 December 2022. Other gains and losses for the year mainly include loss on disposal of property, plant and equipment of approximately RMB4.0 million (2022: RMB6.2 million) and the exchange loss of approximately RMB7.6 million (2022: RMB3.3 million).

### **Other income**

Other income increased to approximately RMB11.5 million for the year ended 31 December 2023 from approximately RMB4.9 million for the year end 31 December 2022. Other income mainly represents the government grants and bank interest income.

### **Income tax expense**

The income tax expense increased from approximately RMB0.5 million for the year ended 31 December 2022 to approximately RMB1.0 million for the year ended 31 December 2023. Such increase was mainly due to the increase in accrued PRC enterprise income tax for the current year more than offsetting the decrease in deferred taxation adjustments.

### **Profit (loss) attributable to owners of the Company**

Overall, for the reasons described above, the profit attributable to the Owners of the Company amounted to approximately RMB14.5 million for the year ended 31 December 2023 (2022: approximately loss RMB120.8 million).



## **Inventories, trade receivables and trade payables turnover cycle**

The Group's inventories mainly comprise gold bars, colored gemstones, silver bars, jewellery products and fresh food products. For the year ended 31 December 2023, inventory turnover days decreased to approximately 72.0 days (2022: 121.7 days). The decrease was mainly because more purchases were contributed by the Manufacturing segment which generally and comparatively has a shorter inventories turnover cycle than other segments due to the nature of the business.

The turnover days for trade receivables for the year ended 31 December 2023 were approximately 2.6 days (2022: 2.5 days). The turnover days remain stable for both years.

The turnover days for trade payables for the year ended 31 December 2023 were approximately 2.5 days (2022: 3.8 days). The decrease was mainly due to the increase in cost of sales of the Manufacturing segment, and its suppliers generally provide shorter repayment terms.

## **Borrowings**

As of 31 December 2023, the Group's bank borrowings balance amounted to approximately RMB421.2 million, of which approximately RMB189.5 million was carried at fixed interest rate and approximately RMB231.7 million was carried at floating interest rate (2022: RMB406.4 million, of which approximately RMB223.4 million was carried at fixed rate and approximately RMB183.0 million was carried at floating interest). The amounts would be due for repayment within one year.

The Group's net gearing ratio was calculated on the basis of the bank borrowings less bank balances and cash as a percentage of total equity. As of 31 December 2023, the Group was in a net cash position with a net gearing ratio of approximately -8.4% (2022: -14.5%).

## **Capital expenditures**

For the year ended 31 December 2023, the Group invested approximately RMB7.0 million in property, plant and equipment (2022: RMB10.6 million).

For the year ended 31 December 2023, the Group did not pay deposits and other direct costs in relation to the acquisition of property, plant and equipment (2022: RMB2.7 million).

### Pledge of assets

As at 31 December 2023, assets with the following carrying amounts were pledged to secure general banking facilities.

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
– Property, plant and equipment	<b>57,766</b>	61,205
– Leasehold land (included in right-of-use assets)	<b>15,807</b>	16,025
– Pledged bank deposits	<b>107,900</b>	166,900
	<b><u>181,473</u></b>	<u>244,130</u>

### Capital commitments

	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Capital expenditure contracted for but not provided in the consolidated financial statements:		
– Property, plant and equipment	<b><u>–</u></b>	<u>359</u>

### Contingent liabilities

As at 31 December 2023 and 31 December 2022, the Group did not have any contingent liabilities.

## **Employees**

As of 31 December 2023, the Group employed 274 staff members (2022: 352 staff members) and the total remuneration for the year ended 31 December 2023 amounted to approximately RMB39.4 million (2022: RMB39.9 million). The decrease in staff number was mainly due to the reduction of scale of the Fresh Food Retail segment in the current year. The Group's remuneration packages are in line with the current laws in the relevant jurisdictions, the experience and qualifications of individual employees and the general market conditions. Bonuses are linked to the Group's financial results as well as to individual performances. The Group ensures that adequate training and professional development opportunities are provided to all employees so as to satisfy their career development needs.

## **Liquidity and financial resources**

The Group maintained a healthy liquidity position during the year. The Group was principally financed by internal resources and bank borrowings. The Group's principal financial instruments comprise bank balances and cash, restricted bank balances, trade and other receivables, trade, bills and other payables as well as bank borrowings. As of 31 December 2023, bank balances and cash, net current assets and total assets less current liabilities were approximately RMB524.7 million (2022: RMB589.2 million), RMB1,084.3 million (2022: RMB1,060.4 million) and RMB1,243.7 million (2022: RMB1,272.9 million), respectively. As of 31 December 2023, the Group had bank borrowings amounting to approximately RMB421.2 million (2022: RMB406.4 million).

## **Dividend**

No final dividend for the year ended 31 December 2023 was proposed (2022: nil).

## **Significant investment held, material acquisition and disposal**

As disclosed in the announcements dated 28 September 2023 and 1 November 2023, after considering the various adverse macro factors related to the operation of the silver exchange platform, the Group entered into a Share Purchase Agreement to dispose of the Silver Exchange segment on 28 September 2023 and the disposal was completed on 1 November 2023.

Save as disclosed above, the Group did not hold any significant investment nor carry out any significant acquisition and disposal of subsidiaries, associates and joint ventures, nor was there any plan for other significant investment or acquisition of capital assets in the future for the year ended 31 December 2023.

### **Significant event after the reporting period**

There is no material subsequent event after the reporting period.

## **OTHERS**

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the annual general meeting to be held on Friday, 14 June 2024, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 7 June 2024 for registration of transfer.

### **Code of Corporate Governance Practice**

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. As at the date of this announcement, the Board comprises three executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 (formerly Appendix 14) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). During the year ended 31 December 2023, the Company has complied with the code provisions under the CG Code, except for code provision C.2.1:

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Sung Kin Man, former chief executive officer of the Company, on 1 January 2019, Mr. Chen Wantian has served as both the chairman and the chief executive officer of the Company. The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of the Company in due course after taking into account of the then overall circumstances of the Group.

### **Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2023.

### **Purchase, Sale or Redemption of the Listed Securities of the Company**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2023.

### **Audit Committee**

The Audit Committee of the Company (the “**Audit Committee**”) has reviewed the financial reporting processes, risk management and internal control systems of the Group and discussed with the external auditor the audited consolidated financial statements for the year ended 31 December 2023. The Audit Committee is of the opinion that these statements had complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

## **Scope of Work of Linksfield CPA Limited**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company's auditor, Linksfield CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 27 March 2024. The work performed by Linksfield CPA Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Linksfield CPA Limited on this announcement.

## **Acknowledgement**

Gratitude is expressed to the management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their continuous support to the Group.

## **Publication of Results Announcement and Annual Report**

This audited annual results announcement is published on the websites of the Company ([www.chinasilver.hk](http://www.chinasilver.hk)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2023 annual report of the Company will be dispatched to the shareholders of the Company who requested printed copies and made available on the same websites in due course.

By Order of the Board  
**China Silver Group Limited**  
**Chen Wantian**  
*Chairman*

Hong Kong, 27 March 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Wantian, Mr. Song Guosheng and Mr. Liu Jiandong; and the independent non-executive directors of the Company are Mr. Song Hongbing, Dr. Li Haitao and Dr. Zeng Yilong.*

\* *For identification purpose only*