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CSMall Group Limited
金貓銀貓集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1815)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS OF 2024 ANNUAL RESULTS

The Group's revenue for 2024 from its continuing operation was approximately RMB157.6 million (2023: 410.5 million), representing a significant decrease of approximately 61.6% as compared to that of 2023. The decrease was mainly due to the significant decrease in sales of gold products, which have a higher selling price but a lower profit margin compared to silver products. During 2024, the international gold price remained at relatively high levels, which discouraged customers from purchasing gold products. In response, the Group shifted its sales strategy to focus on silver products, which have a lower selling price but higher profit margin. While this strategic shift contributed to improved profitability, it led to an overall decrease in revenue during 2024.

Loss attributable to owners of the Company for 2024 was approximately RMB23.2 million (2023: RMB35.0 million). Such year-on-year reduction in net loss is mainly due to the combined effects of:

(i) in respect of the Group's continuing operation, New Jewellery Retail segment, although the segment's overall sales volume for 2024 had reduced due to a significant decrease in sales of gold products, the segment had recorded a growth in sales of silver products, which had a significantly higher gross profit margin compared to gold products, resulting in an increase in gross profit and thus a turnaround from a segment loss of approximately RMB21.0 million for 2023 to a segment profit of approximately RMB3.1 million for 2024; and

(ii) in respect of the Group's discontinued operation, Fresh Food Retail segment, which constituted part of the Group prior to the disposal of such segment on 13 January 2025, given that the "Nongmuren" S2B2C platform had been continuously undergoing business reorganization and adjusting its business strategies throughout 2024, the sales volume for 2024 had significantly reduced compared to that of 2023. In addition, a net provision for impairment loss under expected credit loss model of approximately RMB28.1 million was recognized for 2024 in respect of the segment's trade and other receivables, as compared to approximately RMB11.1 million for 2023, resulting in an increase in segment loss of approximately RMB27.5 million for 2023 to approximately RMB44.6 million for 2024.

The board of directors (individually, a "**Director**", or collectively, the "**Board**" or the "Directors") of CSMall 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 2024 (or the "**current year**", "**this year**" or "**during the year**"), together with the audited comparative figures for the year ended 31 December 2023 (or the "**last year**" or "**prior year**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Continuing operation			
Revenue	*4*	**157,570**	410,458
Cost of sales		**(109,162)**	(373,526)
Gross profit		**48,408**	36,932
Other income, net		**2,805**	5,580
Other gains and losses, net	*5*	**(89)**	(7,281)
Selling and distribution expenses		**(15,482)**	(19,758)
Administrative expenses		**(23,580)**	(27,683)
Provision for impairment loss under expected credit loss model, net	*11*	**(2,301)**	(2,907)
Finance costs		**(5,412)**	(5,579)
Profit (loss) before income tax		**4,349**	(20,696)
Income tax expense	*6*	**(1,243)**	(257)
Profit (loss) for the year from continuing operation	*7*	**3,106**	(20,953)
Discontinued operation			
Loss for the year from discontinued operation	*12*	**(44,609)**	(27,549)
Loss and total comprehensive expense for the year		**(41,503)**	(48,502)

	Note	2024	2023
		RMB'000	RMB'000
			(Restated)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(23,187)**	(34,998)
Non-controlling interests		**(18,316)**	(13,504)
		(41,503)	(48,502)
Profit (loss) for the year attributable to Owners of the Company arises from:			
Continuing operation		**3,704**	(20,953)
Discontinued operation		**(26,891)**	(14,045)
		(23,187)	(34,998)
		RMB	*RMB*
(Loss) profit per share	*9*		
For continuing and discontinued operations			
Basic		**(0.019)**	(0.028)
Diluted		**N/A**	N/A
For continuing operation			
Basic		**0.003**	(0.017)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**7,424**	10,142
Goodwill		**–**	12,476
Right-of-use assets		**3,314**	4,424
Intangible assets		**5,469**	5,421
Investment in associates		**–**	12
Deferred tax assets		**4,376**	3,726
		20,583	36,201
Current assets			
Inventories		**973,502**	980,549
Trade and other receivables	*10*	**93,158**	131,178
Amount due from immediate holding company		**17,286**	15,443
Amount due from a fellow subsidiary		**15,038**	2,944
Tax recoverable		**736**	736
Bank balances and cash		**429,290**	419,510
		1,529,010	1,550,360
Assets of a disposal group classified as held for sale	*12*	**29,890**	–
		1,558,900	1,550,360
Current liabilities			
Trade and other payables	*13*	**72,639**	113,862
Lease liabilities – current portion		**336**	3,825
Contract liabilities		**5,577**	3,584
Amount due to a fellow subsidiary		**2,346**	2,310
Amounts due to related companies		**8,495**	8,892
Amount due to non-controlling interests		**6,396**	22,513
Income tax payable		**8,501**	6,761
Bank borrowings	*14*	**89,000**	94,000
		193,290	255,747
Liabilities directly associated with assets classified as held for sale	*12*	**97,732**	–
		291,022	255,747
NET CURRENT ASSETS		**1,267,878**	1,294,613
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,288,461**	1,330,814

	2024 *RMB'000*	2023 *RMB'000*
Capital and reserves		
Share capital	**842**	842
Share premium and reserves	**1,312,459**	1,335,646
Equity attributable to the owners of the Company	**1,313,301**	1,336,488
Non-controlling interests	**(25,044)**	(9,178)
TOTAL EQUITY	**1,288,257**	1,327,310
Non-current liabilities		
Deferred tax liabilities	**–**	1,355
Lease liabilities – non-current portion	**204**	2,149
	204	3,504
TOTAL EQUITY AND NON-CURRENT LIABILITIES	**1,288,461**	1,330,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

CSMall Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 19 January 2017. The address of the registered office is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, 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's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 March 2018.

The Company is an investment holding company. The Group operates the business of design and sale of gold, silver, colored gemstones, gem-set and other jewellery products in the People's Republic of China (the "**PRC**").

The immediate and ultimate holding company is China Silver Group Limited (stock code: 815) ("**China Silver Group**"), a public limited company incorporated in the Cayman Islands with its shares listed on the Main Board of the Stock Exchange.

On 5 November 2024, Shenzhen Guojintongbao Company Limited*（深圳國金通寶有限公司）("**Shenzhen Guojintongbao**", which is a wholly-owned subsidiary of the Group) entered into an equity transfer agreement（the "**Equity Transfer Agreement**") with an independent third party, Shanghai Xinding Metallic Materials Co., Ltd*（上海鑫鼎金屬材料有限公司）("**Shanghai Xinding**") to dispose of the Group's 51% equity interest in Shenzhen Xiansheng Zhanggui Technology Co., Ltd.*（深圳鮮生掌櫃科技有限公司）("**Shenzhen Xiansheng**", together with its subsidiaries, the "**Nongmuren Group**" or the "**Disposal Group**") to Shanghai Xinding at a consideration of RMB300,000. The transaction was completed subsequently on 13 January 2025. Accordingly, the financial results of the Disposal Group are presented in the consolidated income statement and consolidated statement of cash flows as "**Discontinued Operation**" in accordance with IFRS 5 "**Non-current Assets Held for Sales and Discontinued Operations**". Comparative figures for 2023 have also been restated.

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

* *The English name is for identification only*

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material 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 has been prepared under the historical cost convention except for assets classified as held for sale that are measured at the lower of their carrying amount and fair value less costs to sell at the end of each reporting period.

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 2024:

Amendments to IAS1	Classification of Liabilities as Current and Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback
Amendment to IAS 7 and IFRS 7	Supplier Finance Arrangements

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:

IAS 21 and IFRS 1	Lack of Exchangeability (amendments)[1]
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)[2]
IFRS 18	Presentation and Disclosure in Financial Statements (new standard)[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)[3]
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)[4]

[1] Effective for annual periods beginning on or after 1 January 2025.

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

[3] Effective for annual periods beginning on or after 1 January 2027.

[4] Effective for annual periods beginning on or after a date to be determined.

In July 2024, IASB issued IFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group presents and disclose financial performance in the consolidated financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Certain new standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 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 has one operating and reportable segment (2023: two segments). Management determines the operating segment based on the information reported to the Group's chief operating decision makers ("**CODM**") (i.e. the executive directors of the Company). The CODMs assess the operating performance and allocate the resources of the Group as a whole as the Group is primarily engaged in the business of designing and sales of gold, silver, colored gemstones and gem-set and other jewellery products in the PRC ("**New Jewellery Retail segment**"). Accordingly, there is only one operating and reportable segment.

The operation of Fresh Food Retail segment of the Group was discontinued during the year ended 31 December 2024. 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.

(i) Geographical information

The Group's operations are located in 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**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)
Continuing operation				
The mainland of the PRC	**157,570**	410,458	**15,672**	11,020
Hong Kong	**–**	–	**535**	190
	157,570	410,458	**16,207**	11,210
Discontinued operation *(Note 12)*				
The mainland of the PRC	**2,667**	90,074	**–**	21,265
	160,237	500,532	**16,207**	32,475

Note: Non-current assets excluded deferred tax assets.

(ii) Information about major customer

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

	2024	2023
	RMB'000	*RMB'000*
Customer A[1]	**N/A[2]**	254,213

Notes:

1 Revenue from a television shopping channel contractor (included in television and video shopping channels under online sales channels) that delivered the products of the Group to the respective end users.

2 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

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
By products		
New Jewellery Retail segment		
– Sales of silver products	**137,643**	104,149
– Sales of gold products	**15,629**	300,701
– Sales of colored gemstones	**3,574**	3,105
– Sales of gem-set and other jewellery products	**724**	2,503
	157,570	410,458

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
By sales channels		
Online sales channels *(Note i)*	**105,774**	358,471
Offline retail and service network		
– CSmall Shops *(Note ii)*	**513**	1,630
– Shenzhen Exhibition Hall *(Note iii)*	**51,283**	50,357
	51,796	51,987
Total	**157,570**	410,458

Notes:

(i) Through various third-party online sales channels, including television and video shopping channels, e-commerce platform and instant messenger, sales orders are received from customers online and delivery is initiated and arranged by the channels.

(ii) It represents physical franchised CSmall Shops selling jewellery products.

(iii) It represents jewellery products exhibition hall self-operated by the Group located in Shuibei, Shenzhen.

All of the revenue are recognised at a point in time during the years ended 31 December 2024 and 2023.

5. OTHER GAINS AND LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Net exchange loss	**(89)**	(7,281)

6. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
The PRC Enterprise Income Tax ("**EIT**")		
– current year	**4,499**	1,124
– overprovision in respect of prior years	**(2,606)**	–
	1,893	1,124
Deferred taxation – current year	**(650)**	(867)
	1,243	257

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. PROFIT (LOSS) FOR THE YEAR

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

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Directors' emoluments	**1,594**	2,108
Other staff costs:		
– Salaries and other allowances	**11,419**	13,681
– Retirement benefit scheme contributions	**1,287**	1,665
Total staff costs	**14,300**	17,454
Auditor's remuneration	**1,062**	1,031
Cost of inventories recognised as expenses (included in cost of sales)	**109,162**	373,526
Depreciation of property, plant and equipment	**3,495**	3,885
Depreciation of right-of-use assets	**1,698**	3,467
Expenses on short-term leases in respect of office premises and retail shops	**2,304**	127

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. (LOSS) PROFIT PER SHARE

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

	2024	2023 (Restated)
Profit (loss)		
Profit (loss) for the year attributable to owners of the Company from continuing operation for the purpose of basic profit (loss) per share *(RMB'000)*	**3,704**	(20,953)
Loss for the year attributable to owners of the Company from discontinued operation for the purpose of basic loss per share *(RMB'000)*	**(26,891)**	(14,045)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss) profit per share *(in thousand)*	**1,237,875**	1,237,875

No diluted (loss) profit per share is presented for the years ended 31 December 2024 and 2023 as there were no potential ordinary shares in issue for both years.

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables for contracts with customers	**73,529**	79,282
Less: allowance for expected credit losses in respect of trade receivables	**(18,390)**	(22,221)
	55,139	57,061
Other receivables, deposits and prepayments	**24,528**	59,622
Less: allowance for expected credit losses in respect of other receivables	**–**	(5,859)
Prepayments to suppliers *(Note)*	**6,126**	4,629
Value-added tax ("**VAT**") recoverable	**6,572**	14,963
Refundable rental deposits	**793**	762
	93,158	131,178

Note:

Included in the balance is prepayments paid to a fellow subsidiary of the Group, Jiangxi Longtianyong Nonferrous Metals Co., Ltd.*, (江西龍天勇有色金屬有限公司)("**Jiangxi Longtianyong**"), a wholly-owned subsidiary of China Silver Group, with a carrying amount of RMB1,601,000 as at 31 December 2023. All balance is utilised as at 31 December 2024.

* *The English name is for identification only.*

The Group does not grant any credit period to its retail customers and generally grants its corporate customers a credit period ranging from 1 to 90 days and requires advance deposits for 30% to 100% of the contract value from its customers before delivery of goods.

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

	2024	2023
	RMB'000	*RMB'000*
0 to 30 days	**45,660**	51,317
31 to 60 days	**744**	633
61 to 90 days	**305**	188
Over 90 days	**8,430**	4,923
	55,139	57,061

As at 31 December 2024, included in the Group's trade receivables, net of allowance of credit losses were debtors with aggregate carrying amount of RMB9,582,000 (2023: RMB5,894,000) which were past due as at the reporting date. Out of the past due balances, RMB8,330,000 (2023: RMB4,618,000) 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

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Provision for impairment loss recognised in respect of trade receivables, net	**2,301**	2,907

12. DISCONTINUED OPERATION

On 5 November 2024, Shenzhen Guojintongbao entered into the Equity Transfer Agreement with an independent third party in relation to the disposal of the Group's entire 51% equity interest in an indirect non-wholly-owned subsidiary, Shenzhen Xiansheng which constituted the Fresh Food Retail segment of the Group together with its subsidiaries, for a consideration of RMB300,000. The disposal transaction was completed subsequently on 13 January 2025.

Following the disposal of Shenzhen Xiansheng, the Group discontinued its operation in sales of fresh food. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to represent the Fresh Food Retail segment as a discontinued operation. Financial information relating to the discontinued operation for the year is set out below.

(a) Financial performance and cash flow information

	2024	2023
	RMB'000	*RMB'000*
Revenue	**2,667**	90,074
Cost of sales and services provided	**(2,088)**	(89,576)
Gross profit	**579**	498
Other income, net	**–**	1,076
Selling and distribution expenses	**(4,645)**	(12,948)
Administrative expenses	**(3,700)**	(4,245)
Research and development expenses	**–**	(215)
Provision for impairment loss under expected credit loss model, net	**(28,058)**	(11,082)
Impairment loss on goodwill	**(8,504)**	–
Share of loss of associates	**–**	(28)
Finance costs	**(475)**	(571)
Loss before income tax	**(44,803)**	(27,515)
Income tax credit (expenses)	**194**	(34)
Loss for the year from discontinued operation	**(44,609)**	(27,549)

	2024	2023
	RMB'000	*RMB'000*
Loss and total comprehensive expense for the year attributable to:		
Owners of the Company	**(26,891)**	(14,045)
Non-controlling interests	**(17,718)**	(13,504)
	(44,609)	(27,549)
Loss for the year from discontinued operation includes the following:		
Other staff costs:		
– Salaries and other allowances	**4,344**	10,579
– Retirement benefit scheme contributions	**481**	968
Total staff costs	**4,825**	11,547
Amortisation of intangible assets	**774**	775
Cost of inventories and services recognised as expenses (including in cost of sales and services provided)	**2,088**	89,576
Depreciation of property, plant and equipment	**62**	102
Depreciation of right-of-use assets	**1,525**	1,443
Cash flows from discontinued operation:		
Net cash outflows from operating activities	**(3,373)**	(5,980)
Net cash inflows from investing activities	**–**	37
Net cash inflows from financing activities	**3,227**	1,265
Net decrease in cash and cash equivalents in the discontinued operation	**(146)**	(4,678)

(b) Assets and liabilities of Disposal Group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 December 2024:

	RMB'000
Assets classified as held for sale	
Property, plant and equipment	407
Right-of-use assets	1,362
Goodwill	3,972
Intangible asset	4,647
Investment in associates	12
Inventories	556
Trade and other receivables	18,460
Bank balances and cash	474
Total assets of Disposal Group held for sale	29,890
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	61,174
Amount due to a non-controlling interest	22,978
Lease liabilities	4,419
Deferred tax liabilities	1,161
Bank borrowings	8,000
Total liabilities of Disposal Group held for sale	97,732

* *The English name is for identification only*

13. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables *(Note i)*	**20,456**	30,139
Other payables and accrued expenses	**26,473**	61,966
VAT and other tax payables	**18,297**	14,344
Provision for termination of assignment contracts *(Note ii)*	**7,413**	7,413
	72,639	113,862

Notes:

i) Included in the balance amounting to RMB1,102,000 (2023: RMB nil) is payable to a fellow subsidiary of the Group, Jiangxi Longtianyong.

ii) 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 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 2024, 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 (2023: 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:

	2024	2023
	RMB'000	*RMB'000*
0 to 30 days	**4,211**	5,918
31 to 60 days	**9**	50
61 to 90 days	**14**	292
Over 90 days	**16,222**	23,879
	20,456	30,139

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

14. BANK BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Secured bank borrowings carrying interest at fixed rate, repayable within one year and without a repayment on demand clause	**9,000**	14,000
Secured bank borrowings carrying interest at floating rate, repayable within one year and without repayment on demand clause	**80,000**	80,000
	89,000	94,000

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

	2024	2023
	RMB'000	*RMB'000*
Effective interest rate per annum	**6.04%**	5.31%

The total banking facility granted to the Group amounted to RMB105,200,000 (2023: RMB97,500,000) of which RMB89,000,000 (2023: RMB94,000,000) were utilised.

The amounts are secured and/or guaranteed by (i) personal guarantee from a director of China Silver Group, Mr. Chen Wantian and his spouse; (ii) personal guarantee from a director of the Company, Mr. Qian Pengcheng; (iii) corporate guarantee and certain assets of a supplier and independent third parties and (iv) corporate guarantee from a fellow subsidiary (2023: (i) personal guarantee from a director of China Silver Group, Mr. Chen Wantian and his spouse; (ii) personal guarantee from a director of the Company, Mr. Qian Pengcheng; (iii) corporate guarantee and certain assets of a supplier and independent third parties; (iv) personal guarantee from directors of the subsidiary, Jiangsu Nongmuren and (v) corporate guarantee from a fellow subsidiary).

Bank borrowings of RMB9,000,000 (2023: RMB14,000,000) as at 31 December 2024 carry interest at fixed rates 4.25% (2023: 4.25%) per annum and RMB80,000,000 (2023: RMB80,000,000) carry interest at loan prime rate plus 1.85% (2023: loan prime rate plus 1.85%) per annum.

15. ACQUISITION OF A SUBSIDIARY ACCOUNTED FOR AS AN ASSET ACQUISITION

On 15 August 2024, Jiangxi Jiyin Company Limited* (江西吉銀實業有限公司)(the "**Purchaser**"), an indirect wholly-owned subsidiary of the Group, entered into an equity transfer agreement with Jiangxi Huiying Trading Company Limited* (江西輝穎貿易有限公司)(the "**Vendor**"), pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 51% equity interest in Jiangxi Letong New Materials Company Limited* (江西樂通新材料有限公司)(the "**Target Company**") for a total consideration of RMB2,550,000.

On 21 August 2024, the Group completed the acquisition of the Target Company, a company incorporated in the PRC with limited liability. The Target Company holds 100% equity interest in Tibet Longtianyong Mining Company Limited* (西藏龍天勇礦業有限公司)("**Tibet Longtianyong**"), a PRC-incorporated limited liability company principally engaged in the exploration of lead and zinc mines.

The acquisition was undertaken to to secure exploration rights for a mine and a property for use as staff quarters as part of the Group's future business development. Given the nature of the assets acquired, the transaction has been accounted for as an acquisition of assets.

The identifiable assets and liabilities arising from this transaction are as follows:

	RMB'000
Exploration right	472
Right-of-use assets	2,799
Other receivables	2,877
Bank balances and cash	63
Other payables	(1,211)
A non-controlling interest	(2,450)
Purchase consideration	2,550
Less: cash and cash equivalent balances acquired	(63)
Net cash outflows on acquisition of the Target Company	2,487

* *The English name is for identification only.*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2024, the overall revenue of the Group, which derived from continuing operation of the New Jewellery Retail Business, amounted to approximately RMB157.6 million (2023: approximately RMB410.5 million). The profit attributable to owners of the Company from continuing operation for the year amounted to approximately RMB3.1 million (2023: loss of approximately RMB21.0 million). The loss attributable to the owners of the Company for the year in respect of the Fresh Food Retail segment, which is classified under discontinued operation in the consolidated statement of profit or loss and other comprehensive income, amounted to approximately RMB26.9 million (2023: approximately RMB14.0 million).

In 2024, the gold price rose as economic uncertainties, fluctuations in the US dollar, inflationary pressures and geopolitical risks have increased the appeal of gold as a safe-haven asset. In the context of the continuous record-high gold price, the jewellery industry in the PRC has faced significant pressure on overall performance.

According to the China National Statistics Bureau, the total retail sales of consumer goods rose by 2.7% year-on-year in the period from April to September 2024, but the total sales of gold, silver and jewellery fell by 5.8% in the same period. The weak consumer demand in 2024 has led to a decline in the performance of most of the gold and jewellery companies in the PRC, putting pressure on their revenue and profit. Meanwhile, while traditional enterprises faced pressure and competition, certain niche segments combining "culture" and "gold preservation" such as ancient-style gold products and brands have bucked the trend and achieved robust growth, highlighting the importance of product differentiation.

In the face of pressure from external environment, in 2024, the Group focused on silver products with high profit margin and reduce its focus on gold products with low profit margin. As a result, both gross profit and gross profit margin of the core business of New Jewellery Retail segment increased significantly, transforming the segment loss into profit and steering the business back onto a growth trajectory.

Amid the strong upward trend in gold prices, upstream gold enterprises entered a golden era in 2024, achieving remarkable growth. The Group has been actively preparing to seize future opportunities, including strategically entering the upstream gold exploration business at an opportune time in 2024. The Group will continue to explore and consider suitable business opportunities within and outside the jewellery industry from time to time to diversify its business risks. The Group will seek to gradually transform into a gold resource enterprise through the acquisition of the exploration right of a mine in Tibet, China in August 2024, positioning itself to fully capitalize on the substantial benefits of the gold bull market. Meanwhile, the Group will continue to implement rigorous cost management and prudent capital management measures.

Overall, in 2024, the Group focused on strict costs control and consolidation of its core businesses. The overall gross profit margin for 2024 increased significantly to approximately 30.7% (2023: 9.0%). The Company's continuing operation successfully transitioned from a loss to a profit, returning to growth. Furthermore, the Group has carried out strategic restructuring, including acquiring high-potential companies and timely divesting underperforming business segments, such as the disposal of the Fresh Food Retail segment and the acquisition of the exploration right of a mine in Tibet, China. These initiatives are expected to drive strong business and profit growth in 2025 and beyond, enabling the Company to deliver solid returns to shareholders.

New Jewellery Retail Segment

High gold prices have suppressed end-consumption demand, and consumers are taking a wait-and-see attitude toward buying gold jewellery. In 2024, the Group's sales of gold products with lower gross profit margin and higher unit price accounted for approximately 9.9% (2023: 73.3%) of the overall New Jewellery Retail segment, while the sales of silver products with higher gross profit margin and lower unit price accounted for approximately 87.4% (2023: 25.4%) of the overall New Jewellery Retail segment. The decline in sales of gold products led to a decline in the overall sales of the Group's New Jewellery Retail segment in 2024, but the increase in the sales of silver products with a low unit price but high gross profit margin led to a significant increase in both the overall gross profit and gross profit margin during the year.

The Group has placed greater emphasis on improving profitability, and has consistently worked to reduce overall operating costs during the year. The Group gradually closed offline stores and shifted the sales focus primarily to online channels. The total number of stores has reduced from 16 in 2023 to 7 in 2024. The Group will continue to leverage the strong traffic of third-party platforms and enhance online sales operations through new marketing models including short video marketing, e-commerce live streaming and online celebrity promotion.

The Group has strategically reduced the marketing expenses of the lab-grown diamond brand SISI business this year. The development of China's lab-grown diamond industry is still in its early stages, with a relatively low penetration rate in the country's jewellery market. Currently, the market for lab-grown diamonds is largely driven by the perceived potential and expectations for those to replace natural diamonds. However, it still takes time for the market to fully recognize the legitimacy and value of lab-grown diamonds. In recent years, improved diamond production capacity has led to a price reduction for natural diamonds. At the same time, domestic lab-grown diamond producers have been expanding production and upgrading equipment, resulting in an oversupply in the lab-grown diamond market, which drives down the price and leads to intense and irrational price competition in the market. As cost efficiency becomes a key competitive factor, businesses are expected to invest further in technology and operations to remain competitive. Currently, the Group aims to maintain business profitability and ensure sufficient working capital amid macroeconomic challenges. The Group will carefully evaluate the investment and sales strategy for the lab-grown diamond brand SISI to navigate market conditions more effectively.

Online Sales Channels

In 2024, we engaged third-party online platforms including JD.com（京東）, Suning（蘇寧）, Tmall（天貓）, WeChat（微信）, TikTok（抖音） and Xiaohongshu（小紅書） in the PRC to promote and sell our jewellery products, which enabled us to achieve satisfactory sales performance. With a daily reach of over 100 million home viewers in the PRC, our brand awareness among a vast population of Chinese viewers was enhanced substantially.

Short-video promotion and online celebrity live-stream selling 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 2024, the Group has shifted the sales focus to online channel, thus the Group ceased to expand existing stores and adjusted the layout of offline business outlets. As of 31 December 2024, we had 7 franchised CSmall Shops located in 5 provinces and municipalities in the PRC, with presence in Beijing, Heilongjiang, Henan, Tibet and Xinjiang.

(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.

New layout of exploration business

On 21 August 2024, the Group completed acquisition of 51% equity interest in Jiangxi Letong New Materials Co., Ltd. ("**Jiangxi Letong**") which holds 100% equity interests in Tibet Longtianyong Mining Company Limited ("**Tibet Longtianyong**"). Tibet Longtianyong holds an exploration license with the right to conduct general exploration on mineral resources in an area of 28.88 square kilometers in Lhoka, Tibet, China (the "**Lhoka Exploration Area**").

The continuous heating of the gold market has become the focus of global investors, and the Group's upstream business layout provides strong support for the Company's future performance growth. As the general exploration progressed, Sichuan Metallurgical Geological Survey Institute engaged by Tibet Longtianyong which possess relevant national geological qualifications, completed the general exploration field work during the year and compiled a report on the general exploration work. The Group is in the process of positioning itself to capitalize on the ongoing rise in gold prices. Its gradual shift of strategic focus on mining operations upstream hopefully will present significant opportunities for future growth and value creation.

Fresh Food Retail Segment (classified as discontinued operation)

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)(“**Jiangsu Nongmuren**”), which is the developer and operator of the “農牧人” (“Nongmuren”, meaning farmers and herdsmen) S2B2C 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. However, the business began to decline seriously in the last year and the decline continued this year. The decline in pork prices and consumption in 2023, coupled with the post-pandemic recovery of traditional fresh market, has reshaped the market. Meanwhile, the Group promptly implemented major strategic adjustments, halting the rapid expansion of “Meat Shopkeeper(肉掌櫃)” business and shifting its focus to a refined operational model that aims at profitability. In light of the continued decrease in the sales of fresh food this year, the weakening viability of the business model, limited growth potential and the presence of a willing buyer, Shenzhen Guojintongbao Company Limited* (深圳國金通寶有限公司)(a wholly-owned subsidiary of the Company and a non-wholly-owned subsidiary of China Silver Group) signed an equity transfer agreement to dispose of its entire 51% equity interest in Shenzhen Xiansheng Zhanggui Technology Co., Ltd.* (深圳鮮生掌櫃科技有限公司), which controlled the operation of Jiangsu Nongmuren (i.e. the Fresh Food Retail segment), in order for the Group to focus its management’s attention and financial and manpower resources on its core businesses of jewellery and metals. The disposal was completed on 13 January 2025 and is expected to generate an estimated gain attributable to the owners of the Company of approximately RMB40 million (this amount is subject to audit and will be recorded in the Company’s financial results for the year ended 31 December 2025).

PROSPECTS

With the price of gold and silver constantly refreshing a record high in the past two years, the Group’s transformation decision of engagement in the upstream field has greatly increased its competitiveness in the market. Through the expansion of resource reserves, the Group is confident of bringing lasting benefits under the tide of this gold bull market to achieve stable growth.

Looking forward, the focus of the global capital market will be placed on the significant breakthrough of the gold market. Gold price is expected to continue to rally, driven by the buying spree of central bank, global economic fragility and United States government's attempts to rewrite the rules of global trade by imposing tariffs on allies and strategic competitors.

In January 2025, the Group was pleased to announce the completion of the general exploration on mineral resources in the Lhkoa Exploration Area (the "**General Exploration**") conducted by certain geological expert, as well as the geological expert's compilation of a report on the General Exploration (the "**General Exploration Report**"). The General Exploration Report was submitted to Land and Mining Rights Transaction and Resources and Reserves Review Centre of the Tibet Autonomous Region（西藏自治區土地礦權交易和資源儲量評審中心）under the Natural Resources Department of the Tibet Autonomous Region（西藏自治區自然資源廳）(the "**Tibet Review Centre**") for review. Tibet Longtianyong received a review opinion on the General Exploration Report issued by the Tibet Review Centre (the "**Review Opinion**") in mid-January 2025. According to the General Exploration Report and Review Opinion, Tibet Longtianyong's General Exploration efforts have discovered certain gold mineralized zones and further delineated certain gold ore bodies therein; such gold ore bodies are estimated to have an inferred ore volume of approximately 2,100,000 tonnes and an inferred metal volume of approximately 5,800 kilograms of gold, with an average gold ore grade of approximately 2.77 grams/tonne. The General Exploration Report further expressed that, based on the results of the analyses conducted and subject to further analyses and exploration works to be carried out, it is preliminarily anticipated that the Lhoka Exploration Area could reach a prospective metal volume of approximately 20 to 25 tonnes of gold, displaying potential for a large-scale gold mine. The Group will continue to proceed with in-depth exploration at an appropriate time to ensure the accurate assessment of mineral resources and hope that as further exploration and mining progresses, the Group can eventually achieve commercial exploitation. Given that the General Exploration is a preliminary stage of mineral explorations, the findings of the General Exploration Report may or may not materialize, and the estimations and anticipations stated in the General Exploration Report and the Review Opinion may or may not prove to be correct. There is no certainty that further exploration works will result in the level of gold or other mineral resources estimated or anticipated in the General Exploration Report. Please refer to the joint announcement issued by the Company on 20 January 2025 for further details on the General Exploration Report and the Review Opinion.

Meanwhile, with the divestiture of the Fresh Food Retail business and the expected recovery of the consumer market, the Group will continue to steadily operate its original core businesses of gold, silver and jewellery businesses. The management and employees of the Group are confident in achieving the Company's performance targets through joint efforts. The Board of the Group have proposed adoption of a share option scheme to enhance employees' morale and confidence.

The Group has demonstrated long-term focus on gold-related business operations and the proposed change of Company name provides the Company with a more defined corporate image and identity and comprehensively enhance the brand upgrade. The change of the name of the Group to Mount Everest Gold Group Company Limited signals the Group's shift in strategic focus.

The Group is confident to bring investors a significant leap through the strategic transformation and continue to bring good returns to shareholders in the future.

FINANCIAL REVIEW

Continuing Operation

Revenue

The revenue of the Group for the year ended 31 December 2024 was approximately RMB157.6 million (2023: RMB410.5 million), representing a significant decrease of approximately 61.6% from that of 2023, the decrease was mainly due to the significant decrease in sales of gold products, which have a higher selling price but a lower profit margin compared to silver products. During the year, the international gold price remained at relatively high levels, which discouraged customers from purchasing gold products. In response, the Group shifted its sales strategy to focus on silver products, which have a lower selling price but higher profit margin. While this strategic shift contributed to improved profitability, it led to an overall decrease in sales revenue during the year.

	2024		2023	
	Revenue *RMB'000*	**% of revenue**	Revenue *RMB'000* (restated)	% of revenue (restated)
By products				
– Sales of silver products	**137,643**	**87.3%**	104,149	25.4%
– Sales of gold products	**15,629**	**9.9%**	300,701	73.3%
– Sales of colored gemstones	**3,574**	**2.3%**	3,105	0.8%
– Sales of gem-set and other jewellery products	**724**	**0.5%**	2,503	0.5%
	157,570	**100.0%**	410,458	100.0%
By sales channels				
– Online sales channels	**105,774**	**67.1%**	358,471	87.3%
– Offline retail and service network	**51,796**	**32.9%**	51,987	12.7%
Total	**157,570**	**100.0%**	410,458	100.0%

Cost of Sales

Cost of sales significantly decreased from approximately RMB373.5 million for the year ended 31 December 2023 to approximately RMB109.2 million for the year ended 31 December 2024, representing a significant decrease of approximately 70.8%, mainly due to significant decrease in cost of sales contributed from the decrease in sales of gold products which has a higher cost of sales compared to other products.

Gross Profit and Gross Profit Margin

We recorded gross profit of approximately RMB48.4 million for the year ended 31 December 2024 (2023: RMB36.9 million), an increase of approximately 31.1% as compared to that of 2023. This growth was primarily driven by increased sales of silver products, which generally carry a higher profit margin compared to gold products. This shift of increase in sales of silver products was prompted by the persistently high international gold prices, which dampened customer demand for gold products, and the Group's strategic decision to capitalize on the growing preference for silver products. As a result, the overall gross profit margin improved from approximately 9.0% in 2023 to approximately 30.7% in 2024, reflecting the favorable shift in product mix towards the sales of higher-margin silver products.

Other Income, Gains and Losses

Other income and other gains and losses mainly include bank interest income and net exchange losses respectively.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately 21.6% from approximately RMB19.8 million for the year ended 31 December 2023 to approximately RMB15.5 million for the year ended 31 December 2024, due to various decreased expenses such as reduced spending on TV shopping activities, as some partnerships were discontinued in 2024 following a declining trend in shopping through this channel over recent years. Additionally, marketing and promotional campaign expenses decreased in 2024, particularly in relation to lab-grown diamonds. The closure of physical stores further contributed to cost savings, including reductions in packaging costs, in-store staff expenses and other associated operational costs.

Administrative Expenses

Administrative expenses decreased by approximately 14.8% from approximately RMB27.7 million for the year ended 31 December 2023 to approximately RMB23.6 million for the year ended 31 December 2024, primarily due to the ongoing implementation of cost control measures, which led to reductions in overall administrative expenses, particularly in staff costs.

Income Tax Expense

Income tax expense increased from approximately RMB0.3 million for the year ended 31 December 2023 to approximately RMB1.2 million for the year ended 31 December 2024, mainly due to the increase in the PRC Enterprise Income Tax charged for the year.

Profit (Loss) Attributable to Owners of the Company

For the year ended 31 December 2024, we recorded a profit attributable to owners of the Company from continuing operation of approximately RMB3.7 million (2023: loss of RMB21.0 million). This turnaround from loss to profit were primarily driven by the strategic shift in product focus. Although the overall sales volume during the year declined due to a significant decrease in sales of gold products, the Group recorded growth in sales of silver products, which have a significantly higher gross profit margin compared to gold products. This shift contributed to an increase in gross profit, coupled with the decrease in selling and distribution expenses and administration expense, it resulted in a turnaround from a net loss last year to a net profit this year.

Discontinued Operation

As disclosed in the announcements jointly issued by the Company and China Silver Group dated 5 November 2024 and 15 January 2025, various factors unfavorable to the operation and development of the Jiangsu Nongmuren platform (i.e. the Fresh Food Retail segment) gradually emerged since the Group's investment into the Nongmuren Group in 2021, including that the meat market in China saw a downward trend in pork prices, and the overall pork consumption declined; and after the epidemic, the traditional fresh food model resumed, which affected the business of the Nongmuren platform that provides branding and SaaS services to enterprises along the agricultural supply chain, such that the value of the Jiangsu Nongmuren business model has diminished, with limited business prospects and growth potential remaining. After considering such factors, in order for the Group to focus its management's attention and their financial and manpower resources on the Group's core businesses of jewellery and metals, the Group decided to dispose of the business of the Nongmuren platform, the disposal was subsequently completed on 13 January 2025, it is expected to generate an estimated disposal gain attribute to the owners of the Company of approximately RMB40 million (this amount is subject to audit and will be recorded in the Company's financial results for the year ended 31 December 2025). The Group recorded a loss attributable to owners of the Company amounted to approximately RMB26.9 million from the discontinued operation for the year ended 31 December 2024 (2023: RMB14.0 million).

Inventories, Trade Receivables and Trade Payables Turnover Cycle

The Group's inventories mainly comprise silver bars, colored gemstones, jewellery products and gold bars. For the year ended 31 December 2024, inventory turnover days were approximately 3,266.8 days (for the year ended 31 December 2023: 964.0 days). The increase in inventory turnover days was primarily due to the exclusion of sales of fresh food from the discontinued operation this year, which typically has a lower inventory turnover day compare with the gold and silver products.

The turnover days for trade receivables for the year ended 31 December 2024 were approximately 130.0 days (for the year ended 31 December 2023: 31.7 days), Fresh Food Retail segment typically has a lower turnover days of trade receivables than the New Jewellery Retail segment due to it business nature, thus the turnover day increased this year with the exclusion of this discontinued Fresh Food Retail segment.

The turnover days for trade payables for the year ended 31 December 2024 were approximately 84.6 days (for the year ended 31 December 2023: 14.5 days). The Fresh Food Retail segment typically has a lower turnover days of trade payables than the New Jewellery Retail segment due to it business nature, thus the turnover day increased this year with the exclusion of the discontinued Fresh Food Retail segment.

Bank Borrowings

As of 31 December 2024, the Group's bank borrowings balance amounted to approximately RMB89.0 million (as of 31 December 2023: RMB94.0 million), of which approximately RMB9.0 million of bank borrowings was carried at fixed interest rate and approximately RMB80.0 million was carried at floating interest rate. (as of 31 December 2023: RMB14.0 million was carried at fixed interest rate and RMB80.0 million was carried at floating interest rate). The bank borrowings would be due for repayment within one year.

The Group's net gearing ratio was calculated on the basis of the bank borrowing less bank balances and cash as a percentage of total equity. As of 31 December 2024, the Group was in a net cash position with a net gearing ratio of approximately -26.4% (as of 31 December 2023: -24.4%).

Capital Expenditures

For the year ended 31 December 2024, the Group invested approximately RMB1.2 million in property, plant and equipment (2023: RMB1.4 million).

Pledge of Assets

As at 31 December 2024 and 2023, none of the Group's assets was pledged.

Capital Commitments

As of 31 December 2024 and 2023, the Group did not have any material capital commitments.

Contingent Liabilities

During the year, Jiangxi Jiyin Company Limited (江西吉銀實業有限公司) ("**Jiangxi Jiyin**"), a subsidiary of the Group, provided a corporate guarantee of RMB250.0 million to Jiangxi Longtianyong, a fellow subsidiary of the Group and a subsidiary of China Silver Group, to obtain a bank borrowing. If Jiangxi Longtianyong fails to repay the bank borrowing based on the borrowing terms in the borrowing agreement, Jiangxi Jiyin will become liable to compensate such bank accordingly (for the year ended 31 December 2023: RMB250.0 million).

Employees

As of 31 December 2024, the Group employed 123 staff members (as of 31 December 2023: 149 staff members) and the total staff cost for the year ended 31 December 2024 amounted to approximately RMB14.3 million (2023: RMB17.5 million) for continuing operations. The decrease was mainly due to the continuing optimisation of scale of the New Jewellery Retail segment in 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, trade and other receivables, trade and other payables as well as bank borrowings. As of 31 December 2024, the bank balances and cash, net current assets and total assets less current liabilities were approximately RMB429.3 million (as of 31 December 2023: RMB419.5 million), RMB1,267.9 million (as of 31 December 2023: RMB1,294.6 million) and RMB1,288.5 million (as of 31 December 2023: RMB1,330.8 million), respectively.

Dividend

No final dividend for the year ended 31 December 2024 was proposed (2023: nil).

Significant Investment Held, Material Acquisition and Disposal

Except for the disposal of Fresh Food Retail segment, the Group did not hold any significant investment nor carry out any significant acquisition and disposal of subsidiaries, associates and joint ventures during 2024, nor was there any plan for other significant investment or acquisition of capital assets in the future.

Significant Event after the Reporting Period

On 13 January 2025, the Group completed the disposal of 51% equity interest of Shenzhen Xiansheng Zhanggui Technology Co., Ltd.*(深圳鮮生掌櫃科技有限公司), which controls the operation of Jiangsu Nongmuren and being one of the Group's operating segments, namely the fresh food retail segment. Further details of the disposal are set out in the announcements published on 5 November 2024 and 15 January 2025.

On 20 January 2025, the board of directors of the Company proposes to change the English name of the Company from "CSMall Group Limited" to "Mount Everest Gold Group Company Limited", Further details of the reason and effect of the change of company name are set out in the announcements published on 20 January 2025 and the circular of the Company dated 10 March 2025.

Save as disclosed above, there is no material subsequent event after the reporting period.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 14 May 2025 to Monday, 19 May 2025 (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 Monday, 19 May 2025, 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 Tuesday, 13 May 2025 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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") . Throughout the year ended 31 December 2024, the Company has complied with the code provisions under the CG Code except for code provision C.2.1.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chen He is currently both the chairman of the Board and chief executive officer of the Company. He has been leading the Group for many years since he joined the Group in 2013. He has been the driving force behind the Group's development, growth and expansion and is primarily responsible for the overall management of the Group and for directing strategic developments and business plans of the Group. In light of the above, all of the Directors consider Mr. Chen He to be the best candidate for both positions and that such arrangement is beneficial to and in the best interests of the Group and the shareholders of the Company as a whole.

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 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 2024.

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 2024.

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 2024. 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 2024 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 2025. 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.csmall.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2024 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
CSMall Group Limited
Chen He
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Chen He, Mr. Qian Pengcheng and Ms. Huang Wen; and the independent non-executive directors of the Company are Mr. Yu Leung Fai, Mr. Hu Qilin and Mr. Zhang Zuhui.

* *For identification purpose only*