ARTGO HOLDINGS LIMITED
雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS

For the year ended 31 December 2024:

- The revenue of the Group amounted to approximately RMB71.6 million (2023: RMB77.5 million), representing a decrease of 7.6% or approximately RMB5.9 million.
- The loss before tax of the Group amounted to approximately RMB285.0 million (2023: RMB393.1 million), representing a decrease in loss of approximately RMB108.1 million.
- The Group's net loss amounted to approximately RMB285.2 million (2023: RMB396.2 million).
- The basic and diluted loss per share attributable to ordinary equity holders of the Company amounted to approximately RMB0.28 (2023: RMB1.03).

The board (the "**Board**") of directors (the "**Directors**") of ArtGo Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**"). The Company's annual results for 2024 have been reviewed by the audit committee of the Company (the "**Audit Committee**") and have been approved by the Board on 31 March 2025.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	3	**71,596**	77,532
Cost of sales		**(60,383)**	(67,467)
Gross profit		**11,213**	10,065
Other income and gains	4	**9,932**	5,231
Selling and distribution expenses		**(801)**	(1,866)
Administrative expenses		**(45,489)**	(49,849)
Expected credit losses on trade receivables		**(3,916)**	(18,175)
Expected credit losses on other receivables		**(3,034)**	(9,169)
Impairment loss on investment properties		**–**	(1,180)
Impairment loss on property, plant and equipment		**–**	(387)
Written-off of mining rights		**(234,060)**	(282,093)
Other expenses		**(769)**	(17,432)
Finance costs	5	**(16,247)**	(20,631)
Share of results of associates		**(1,820)**	(7,610)
LOSS BEFORE TAX	6	**(284,991)**	(393,096)
Income tax expense	7	**(215)**	(3,124)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(285,206)**	(396,220)
Attributable to:			
Owners of the Company		**(285,188)**	(396,145)
Non-controlling interests		**(18)**	(75)
		(285,206)	(396,220)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
— Basic and diluted	9	**RMB(0.28)**	RMB(1.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**409,431**	421,070
Investment properties		**18,345**	18,586
Right-of-use assets		**261,609**	271,357
Intangible assets		**80,449**	314,519
Investments in associates		**37,332**	39,152
Prepayments, deposits and other receivables		**3,370**	4,009
Deferred tax assets		**156**	156
Total non-current assets		**810,692**	1,068,849
CURRENT ASSETS			
Inventories		**23,558**	18,784
Trade receivables	*10*	**19,073**	24,946
Prepayments, deposits and other receivables		**129,626**	122,135
Restricted deposits		**634**	639
Cash and bank balances		**16,053**	100,956
Total current assets		**188,944**	267,460
CURRENT LIABILITIES			
Trade payables	*11*	**23,278**	21,133
Contract liabilities		**11,945**	5,920
Other payables and accruals		**76,866**	55,639
Tax payables		**26,153**	23,994
Lease liabilities		**610**	964
Interest-bearing bank and other borrowings		**24,730**	63,300
Total current liabilities		**163,582**	170,950
NET CURRENT ASSETS		**25,362**	96,510
TOTAL ASSETS LESS CURRENT LIABILITIES		**836,054**	1,165,359

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**200,720**	274,510
Deferred tax liabilities	**8,984**	8,984
Deferred income	**3,799**	4,009
Lease liabilities	**–**	588
Provision for rehabilitation	**21,847**	20,608
Total non-current liabilities	**235,350**	308,699
NET ASSETS	**600,704**	856,660
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**10,690**	166,551
Reserves	**496,431**	597,056
	507,121	763,607
Non-controlling interests	**93,583**	93,053
TOTAL EQUITY	**600,704**	856,660

NOTES

1. CORPORATE AND GROUP INFORMATION

ArtGo Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business in Hong Kong is located at Unit 1302, 13/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the business of production and sales of calcium carbonate products, mining, processing and sale of marble stones, warehousing and logistics.

In the opinion of the directors, the Company does not have an immediate holding company or ultimate holding company, nor there is in a position to exercise significant influence over the Company.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the applicable disclosures required by of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 APPLICATION OF NEW OR AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to IFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 NEW AND AMENDMENTS TO IFRSs ACCOUNTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

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

Amendment to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except as detailed below, the application of the new and amendments to IFRSs Accounting Standards will have no material impact on the Group's financial positions and performance and/or the disclosures to consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirement.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two (2023: two) reportable and operating segments as below:

(a) the marble products segment produces marble stone products and calcium carbonate products mainly by further processing or trading; and

(b) the other segment includes provision of warehousing and logistics services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, expected credit losses on trade and other receivables, impairment losses on non-financial assets, written-off of mining rights, foreign exchange gain/(losses), net, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Year ended 31 December 2024

	Marble products *RMB'000*	Others *RMB'000*	Total *RMB'000*
SEGMENT REVENUE	**70,206**	**1,390**	**71,596**
Segment results	**(15,314)**	**(2,475)**	**(17,789)**
Reconciliation:			
Interest income			**277**
Expected credit losses recognised in the statement of profit or loss			**(6,950)**
Written-off of mining rights			**(234,060)**
Finance costs (other than interest on lease liabilities)			**(16,182)**
Foreign exchange gain			**3,787**
Corporate and other unallocated expenses			**(14,074)**
Loss before tax			**(284,991)**

Year ended 31 December 2023

	Marble products *RMB'000*	Others *RMB'000*	Total *RMB'000*
SEGMENT REVENUE	76,624	908	77,532
Segment results	(38,385)	(2,389)	(40,774)
Reconciliation:			
Interest income			82
Impairment losses recognised in the statement of profit or loss			(28,911)
Written-off of mining rights			(282,093)
Finance costs (other than interest on lease liabilities)			(20,539)
Foreign exchange losses			(6,940)
Corporate and other unallocated expenses			(13,921)
Loss before tax			(393,096)

4. OTHER INCOME AND GAINS

An analysis of other income and gains as follows:

	2024	2023
	RMB'000	*RMB'000*
Refund of value-added tax	**–**	3,766
Bank interest income	**277**	82
Deferred income released to profit or loss	**210**	210
Government grants*	**4**	94
Miscellaneous	**264**	14
Waiver of loan principals and interest from loan restructuring	**9,161**	–
Gain on disposal of subsidiaries	**16**	1,065
Total other income and gains	**9,932**	5,231

* There were no unfulfilled conditions or contingencies relating to these government grants.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**2,216**	2,161
Interest on other borrowings	**12,727**	17,138
Unwinding of a discount for rehabilitation	**1,239**	1,240
Interest on lease liabilities	**65**	92
	16,247	20,631

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**59,027**	66,825
Employee benefit expense		
Wages and salaries	**14,256**	18,758
Welfare and other benefits	**299**	338
Pension scheme contributions		
— Defined contribution fund	**1,623**	2,073
Housing fund	**177**	288
Total employee benefit expense	**16,355**	21,457
Depreciation of property, plant and equipment	**19,847**	22,815
Depreciation of investment properties	**241**	602
Depreciation of right-of-use assets	**9,865**	9,880
Amortisation of intangible assets	**10**	10
Depreciation and amortisation expenses	**29,963**	33,307
Expected credit losses on trade and other receivables	**6,950**	27,344
Impairment loss on investment properties	**–**	1,180
Impairment loss on property, plant and equipment	**–**	387
Written-off of mining rights	**234,060**	282,093
Loss on disposal of property, plant and equipment, net	**–**	3,427
Lease payments not included in the measurement of lease liabilities	**427**	96
Auditor's remuneration	**1,000**	1,260
Foreign exchange (gain)/losses, net	**(3,787)**	6,940
Bank interest income	**(277)**	(82)

7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands. No provision for Hong Kong profits tax has been made as the Group had no taxable profits derived from or earned in Hong Kong for both years.

Pursuant to the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25% (2023: 25%).

Jiangxi Keyue Technology Co., Ltd, a PRC subsidiary of the Company, has been entitled to a preferential EIT rate of 15% as it is accredited as a "High and New Technology Enterprise" from 4 November 2022 to 4 November 2025.

The major components of income tax expense were as follows:

	2024	2023
	RMB'000	*RMB'000*
Current — PRC		
Charge for the year	**215**	237
Underprovision in prior years	**–**	1,798
Deferred tax	**–**	1,089
	215	3,124

8. DIVIDENDS

The directors do not recommend any payment of dividend for the year ended 31 December 2024 (2023: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share for the year ended 31 December 2024 is based on the loss for the year attributable to ordinary equity holders of the company, and the weighted average number of ordinary shares of 1,033,327,084 (2023: 384,383,287) in issue during the year.

No adjustment has been made to the basic loss per share for the years ended 31 December 2024 and 2023 as there was no potential shares outstanding in both years.

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**84,074**	86,031
Allowance for expected credit losses	**(65,001)**	(61,085)
	19,073	24,946

The Group's trading terms with its customers are mainly on credit, except for new and minor customers, where payment in advance is normally required. The credit period is generally one month.

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a limited number of major customers, there is a concentration of credit risk. The Group maintains strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the invoice date and net of allowance for expected credit losses, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**6,817**	19,156
1 to 3 months	**6,932**	3,053
3 to 6 months	**4,142**	2,291
6 to 12 months	**1,182**	446
	19,073	24,946

11. TRADE PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**23,278**	21,133

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**20**	3,831
1 to 2 months	**120**	1,766
Over 3 months	**23,138**	15,536
	23,278	21,133

The trade payables are non-interest-bearing and are normally settled within three months after the Company obtains the invoices issued by the suppliers.

12. DISPOSAL OF SUBSIDIARIES (AND INVESTMENT IN AN ASSOCIATE)

(a) Disposal of Vigoroso Holdings Limited and its subsidiaries ("Vigoroso Group")

On 30 June 2024, the Group disposed of 100% equity interests in Vigoroso Group to an independent third party for an aggregate cash consideration of RMB100,000. Vigoroso Group was principally engaged in mining exploration, processing and sale of marble stones.

The carrying amounts of the net assets of Vigoroso Group as at the date of disposal were as follows:

	RMB'000
Other receivables	**100**
Right-of-use assets	**366**
Cash and bank balance	**1,493**
Other payables	**(2,250)**
Net liabilities disposed of	**(291)**
Non-controlling interest	**548**
Loss on disposal	**(157)**
Cash consideration	**100**

(b) Disposal of Artgo Technology Holdings Limited and its subsidiaries ("Artgo Technology Group")

On 16 December 2024, the Group disposed of 100% equity interests in Artgo Technology Group to an independent third party for an aggregate cash consideration of RMB100,000. Artgo Technology Group was principally engaged in mining exploration, processing and sale of marble stones.

The carrying amounts of the net assets of Artgo Technology Group as at the date of disposal were as follows:

	RMB'000
Other receivables	**27**
Cash and bank balance	**5**
Other payables	**(105)**
Net liabilities disposed of	**(73)**
Gain on disposal	**173**
Cash consideration	**100**

(c) During the year ended 31 December 2023, the Group disposed of five investment holding or non-operating subsidiaries to streamline its corporate structure and save maintaining and administrative costs resulting in a gain on disposal of approximately RMB1.07 million recorded as other incomes (note 5).

	2023
	RMB'000
Property, plant and equipment	1,214
Right-of-use assets	213
Investment in an associate *(Note)*	42,379
Prepayments, deposits and other receivables	24,726
Cash and bank balances	23
Other payables	(69,270)
Lease liabilities	(236)
Net liabilities disposed of	(951)
Non-controlling interests	(14)
Gain on disposal	1,065
Cash consideration	100

Note:

The investment represents 49% equity interests in an associate (Shanghai Yunyi Enterprise Management Co., Ltd) held by one of the disposed subsidiaries. As such, the associate is disposed of together with the disposed subsidiary.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General

The year 2024 brought sustained challenges for the Group, although China's economic environment displayed initial signs of stabilization. Government initiatives designed to encourage growth and reinforce market confidence produced varied results throughout the year, constrained by subdued demand and ongoing strains within the property sector, a cornerstone of our business. Expectations for a robust recovery, widely anticipated in prior years, failed to materialize, leaving market conditions marked by uncertainty. In response, the Group adopted a measured strategy, concentrating on practical efforts to support sales and manage inventory levels effectively, while enhancing oversight of credit and payment collections. Concurrently, we moderated significant investments and operational expansion, opting to proceed cautiously until the business environment offers greater stability and predictability.

Marble Products Business

The Group's marble stone products business is part of the supply chain of the real estate construction sector. During the Year, property developers in China were still facing severe liquidity problems. As such, instead of developing new projects, most property developers were focusing on clearing up their inventory by discounted sales, seeking new refinancing opportunities and negotiating with existing creditors for debt restructuring. Under such circumstances, the management of the Group has been operating its business very cautiously during the Year. The Group's revenue from marble stone products amounted to approximately RMB2.7 million during the Year, representing 75.8% decrease as compared to approximately RMB11.3 million in the previous year. The decrease was mainly due to the very weak market demand from the real estate construction sector even though the Group has been taking a low-margin strategy.

Apart from the marble stone business, our marble downstream calcium carbonate business faced a relatively better market situation and had to adopt a mild low-margin strategy to maintain its market share. Consequently, the calcium carbonate business contributed an aggregate of approximately RMB67.5 million to the Group's revenue during the Year as compared to RMB65.3 million in 2023, representing an increase of approximately RMB2.2 million (or 3.3%).

Rejection Of Mining License Renewal Application

Guizhou County Dejiang SanXin Stone. Co., Ltd. ("Guizhou Dejiang "), a PRC subsidiary 100% owned by the Group, received a notification dated 29 December 2024 from the Natural Resources and Planning Bureau of Dejiang County ("Dejiang Natural Resources Bureau") in Guizhou Province that Dejiang Natural Resources Bureau has decided to reject the application for the renewal of mining license of Dejiang Mine. Therefore, Guizhou Dejiang has to write off the mining right of Dejiang Mine, resulting in a loss of RMB234.1 million in the financial year ended 31 December 2024. The management of Guizhou Dejiang is seeking legal opinion and is trying to liaise with Dejiang Natural Resources Bureau to revoke their decision (if possible). Further announcement(s) will be made if there is any progress.

Warehouse Logistics Business

In December 2019, the Group decided to abandon its warehouse logistics segment and started disposal negotiations, which were delayed by the COVID-19 pandemic. By December 2021, no agreement was reached, leading to the assets no longer being classified as held for sale due to market uncertainties. The potential buyer withdrew from negotiations in the fourth quarter of 2022 due to economic uncertainties.

In 2024, the Group's revenue from warehouse logistics segment amounted to approximately RMB1.4 million, representing 53.1% increase, as compared to approximately RMB0.9 million in 2023. The Group remains committed in relation to the original disposal plan and will continue to seek other potential buyers. Further announcement(s) will be made if there is any progress.

FINANCIAL REVIEW

Revenue

In 2024, the Group recorded an operating revenue of approximately RMB71.6 million (2023: RMB77.5 million), representing a decrease of approximately RMB5.9 million (or 7.6%) compared to that of 2023. The sales of marble stone products contributed 3.8% or approximately RMB2.7 million (2023: 14.6% or approximately RMB11.3 million) to the Group's total revenue, while the sales of calcium carbonate products contributed 94.2% or approximately RMB67.5 million (2023: 84.2% or approximately RMB65.3 million) to the Group's total revenue.

The decrease in revenue was primarily due to a significant drop in marble stone products sales (from RMB11.3 million to RMB2.7 million), driven by weak demand in the real estate construction sector, partially offset by a modest increase in calcium carbonate products sales (from RMB65.3 million to RMB67.5 million) as the Group maintained market share with a low-margin strategy.

Sales by Product Categories

The following table sets out the breakdown of the Group's sales and the percentage of sales by product categories:

	2024		2023	
		Approximate percentage		Approximate percentage
	RMB'000	***(%)***	*RMB'000*	*(%)*
Marble stone products	**2,744**	**3.8**	11,320	14.6
Calcium carbonate products	**67,462**	**94.2**	65,304	84.2
Revenue from segment of marble products	**70,206**	**98.0**	76,624	98.8
Warehouse logistics	**1,390**	**2.0**	908	1.2
Total	**71,596**	**100.0**	77,532	100.0

Cost of Sales

For the year ended 31 December 2024, the Group's total cost of sales amounted to approximately RMB60.4 million (2023: RMB67.5 million), including the cost relating to marble products of approximately RMB59.0 million and the cost relating to warehouse logistics of approximately RMB1.4 million which represented approximately 97.7%, and 2.3% of the total cost of sale respectively. The proportion of the costs of marble products and warehouse logistics was in line with the proportion of their respective revenue contributions (to a large extent). The decrease of RMB7.1 million in cost of sales was mainly due to reduced production and sales volumes of marble stone products, reflecting lower demand, which led to lower material and operational costs, while warehouse logistics costs remained relatively stable.

GROSS PROFIT AND GROSS PROFIT MARGIN

During 2024, the Group realised a gross profit of approximately RMB11.2 million (2023: RMB10.1 million). The overall gross profit margin in 2024 was approximately 15.7%, compared to approximately 13.0% in 2023. The Group has been taking a low-margin strategy since 2022 to cope with the very weak market conditions due to economic downturn in China, particularly the real estate construction sector. Such low-margin strategy is expected to be maintained in the foreseeable future until the market conditions improve.

OTHER INCOME AND GAINS

Other income and gains increased to approximately RMB9.9 million in 2024 (2023: RMB5.2 million), mainly attributable to a one-time gain of approximately RMB9.2 million from the waiver of loan principals and interest due to loan restructuring, partially offset by reduced gains from refund of value-added tax and disposal of subsidiaries.

OTHER EXPENSES

Other expenses, mainly comprised of depreciation of investment properties and penalties, were approximately RMB0.8 million (2023: RMB17.4 million). Compared with 2023, other expenses decreased by approximately RMB16.6 million, primarily due to the absence of significant inventory scrap losses (RMB12.3 million in 2023) and losses on disposal of property, plant, and equipment (RMB3.4 million in 2023).

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses, mainly comprised of salaries of the Group's selling and distribution staff, travelling expenses, and advertising costs, were approximately RMB0.8 million (2023: RMB1.9 million), representing approximately 1.1% of the Group's total revenue in 2024, compared to 2.4% in 2023. The decrease of RMB1.1 million was due to reduced sales and marketing activities in 2024, reflecting lower sales volumes and a cautious approach amid weak market conditions.

ADMINISTRATIVE EXPENSES

Administrative expenses, mainly consisted of salaries of administrative staff, consultancy fees and depreciation expense, were approximately RMB45.5 million (2023: RMB49.8 million). Administrative expenses decreased by approximately RMB4.3 million or 8.7% mainly due to the cost control measures implemented by the Group since 2023.

EXPECTED CREDIT LOSSES ON RECEIVABLES

The expected credit losses on receivables, which comprised of expected credit losses on trade receivables and prepayments and other receivables, amounted to approximately RMB7.0 million in 2024, compared to approximately RMB27.3 million in 2023. The decrease was attributable to the Group's improved credit management practices.

WRITTEN-OFF OF MINING RIGHTS

The written-off of mining rights amounted to approximately RMB234.1 million in 2024 (2023: RMB282.1 million), attributable to the rejection of the mining license renewal application for Dejian Mine (2023: Lichuan Mine and Zhangxi Mine).

OTHER IMPAIRMENT LOSSES

There were no other impairment losses in 2024 (2023: impairment losses on investment properties and property, plant and equipment of approximately RMB1.6 million).

FINANCE COSTS

Finance costs, mainly included interests on other borrowings, interests on bank loans, interests on lease liabilities and related interests of rehabilitation, were approximately RMB16.2 million (2023: approximately RMB20.6 million). Finance costs decreased by approximately RMB4.4 million as compared to that of 2023, which was mainly due to a reduction in the Group's interest-bearing debt levels and successful debt restructuring in 2024.

INCOME TAX EXPENSE

Income tax expense decreased by approximately RMB2.9 million, from RMB3.1 million for the year ended 31 December 2023 to approximately RMB0.2 million for the Year. The decrease was primarily due to the decrease of taxable income in 2024 and the absence of underprovision of prior year tax.

LOSS AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The net loss and total comprehensive loss attributable to owners of the Company during the Year amounted to approximately RMB285.2 million (2023: RMB396.1 million), representing a decrease in loss of approximately RMB110.9 million. The decrease was primarily due to (i) a significant reduction in loss on written-off of mining rights from RMB282.1 million to RMB234.1 million, (ii) decrease of finance costs by approximately RMB4.4 million, and (iii) decrease in other expenses by approximately RMB16.6 million, partially offset by a decline in revenue of RMB5.9 million.

INVENTORIES

The Group's inventories increased by approximately 25.4%, from approximately RMB18.8 million as at 31 December 2023 to approximately RMB23.6 million as at 31 December 2024. The increase of RMB4.8 million was mainly due to slower inventory turnover amid reduced marble stone sales.

TRADE RECEIVABLES

The Group's trade receivables decreased from approximately RMB24.9 million as at 31 December 2023 to approximately RMB19.1 million as at 31 December 2024. The decrease of RMB5.8 million was primarily due to faster collections from customers amid weak market demand.

TRADE PAYABLES

The Group's trade payables increased from approximately RMB21.1 million as at 31 December 2023 to approximately RMB23.3 million as at 31 December 2024. The increase of RMB2.2 million was primarily due to the Group's successful negotiation of better credit terms and extended payment periods with suppliers.

NET CURRENT ASSETS

Net current assets of the Group decreased from approximately RMB96.5 million as at 31 December 2023 by 73.7% to approximately RMB25.4 million as at 31 December 2024, which was primarily due to a reduction in cash and bank balances used for debt repayments, partially offset by fundraising from the Share Subscription and the Placing.

CURRENT RATIO

The current ratio, being current assets divided by current liabilities, was 1.2 as at 31 December 2024 (2023: 1.6).

BORROWINGS

As at 31 December 2024, the Group had total bank and other borrowings of approximately RMB225.5 million (2023: RMB337.8 million). The decrease of RMB112.3 million was due to repayments facilitated by fundraising activities and internal cash flows, reducing overall debt levels.

GEARING RATIO

The Group's gearing ratio equals to its net debt (total debts net of cash and bank balances) divided by total equity. Total debt is defined as interest-bearing bank and other borrowings, and it excludes liabilities incurred for working capital purposes. As at 31 December 2024, the gearing ratio was 34.9% (2023: 27.6%).

CAPITAL STRUCTURE

1. Subscription of 61,720,000 new share issued on 6 February 2024

Pursuant to a share subscription agreement dated 26 January 2024 entered between the Company and the subscriber, the Company issued and allotted 61,720,000 new shares to the subscriber at a subscription price of HK$0.20 per share in cash (the "Share Subscription"). The Share Subscription was completed on 6 February 2024 and the net proceeds from the Share Subscription was approximately HK$12.2 million (equivalent to approximately RMB11.2 million). Particulars of this event was set out in the Company's announcements dated 26 January 2024 and 6 February 2024.

2. **Capital Reduction of Issue Shares and Sub-division of Unissued Shares**

On 29 April 2024, the Company has proposed a capital reduction and a share sub-division pursuant to which:

(i) the issued share capital of the Company would be reduced by cancelling the paid up capital to the extent of HK$0.19 on each of the issued shares such that the par value of each issued share would be reduced from HK$0.20 to HK$0.01 (the "Capital Reduction"); and

(ii) immediately following the Capital Reduction, each of the authorised but unissued shares with a par value of HK$0.20 each would be subdivided into twenty (20) new shares with a par value of HK$0.01 each (the "Share Sub-division").

Each of the new shares arising from the Capital Reduction and the Share Sub-division shall rank pari passu in all respects with each other and have rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company. The Capital Reduction and the Share Sub-division have been effective on 31 July 2024.

For details, please refer to the Company's announcements dated 29 April 2024, 28 June 2024 and 30 July 2024 respectively, and the Company's circular dated 24 May 2024.

3. **Placing of 197,500,000 new shares on 27 September 2024**

On 27 September 2024, the Company has successfully placed a total of 197,500,000 new shares to not less than six placees at HK$0.1140 per placing share (the "Placing") . The net proceeds from the Placing, after deducting commission paid to the placing agent and other expenses incidental to the Placing, are approximately HK$22.2 million (equivalent to approximately RMB20.4 million). Particulars of this event was set out in the Company's announcements dated 6 September 2024 and 27 September 2024.

USE OF PROCEEDS

(1) Issue of 617,249,750 rights shares on 6 November 2023

As disclosed in the Company's circular and prospectus dated 25 August 2023 and 28 September 2023 respectively, the Company intended to apply the net proceeds as follows: (i) approximately HK$110.00 million for repayment of loans and other payables of the Group; and (ii) approximately HK$11.15 million as general working capital of the Group, in which approximately HK$4.10 million for salaries expenses, approximately HK$4.10 million for purchase of raw materials, approximately HK$2.05 million for professional fees and HK$0.90 million for daily operation expenses.

The followings are the utilizations of the net proceeds from the right shares issued on 6 November 2023 up to 31 December 2024:

Intended use	**Planned use of proceeds** *HK$ million*	**Utilization up to 31 December 2023** *HK$ million*	**Utilization in the Year** *HK$ million*	**Remaining unutilized balance as at 31 December 2024** *HK$ million*
Repayment of loans and other payables	110.00	10.00	100.00	–
General working capital:				
— Salaries expenses	4.10	3.34	0.76	–
— Purchase of raw materials	4.10	–	4.10	–
— Professional fees	2.05	0.41	1.64	–
— Daily operation expenses	0.90	0.23	0.67	–
Total	**121.15**	**13.98**	**107.17**	**–**

(2) Subscription of 61,720,000 new shares issued on 6 February 2024

As disclosed in the Company's announcements dated 26 January 2024 and 6 February 2024 respectively, it was expected that the net proceeds from the Share Subscription would be utilised for the repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in related business as identified by the Group from time to time.

The followings are the utilizations of the net proceeds from the Share Subscription from its completion on 6 February 2024 up to 31 December 2024:

	HK$ million
Net proceeds	12.24
Repayment of loans and other payables	2.88
General working capital:	
— Salaries expenses	4.05
— Professional fees	2.03
— Daily operation expenses	3.28
Total of fund utilized up to 31 December 2024	12.24
Remaining unutilized balance as at 31 December 2024	–

(3) Placing of 197,500,000 new shares on 27 September 2024

As disclosed in the Company's announcement dated 6 September 2024 and 27 September 2024, it is expected that the net proceeds from the Placing would be utilised (i) as to approximately HK$4.69 million for general working capital of the Group; and (ii) as to approximately HK$17.50 million for repayment of Group's current debts.

The followings are the utilizations of the net proceeds from the Placing from its completion on 27 September 2024 up to 31 December 2024:

	HK$ million
Net proceeds	22.19
Repayment of loans and other payables	17.50
General working capital:	
Salaries expenses	2.25
Professional fees	2.21
Daily operation expenses	0.23
Total of fund utilized up to 31 December 2024	22.19
Remaining unutilized balance as at 31 December 2024	–

CAPITAL EXPENDITURE

The Group's ability to maintain and increase its sales and profits depends upon continued capital spending. Capital expenditures are used to purchase mining rights, land, property, plant and equipment. In 2024, the Group's expenditure for purchase of property, plant and equipment aggregated to approximately RMB8.2 million (2023: approximately RMB5.8 million).

FOREIGN EXCHANGE EXPOSURE

The Group's businesses are located in Mainland China and most of the transactions were denominated in RMB, except for an amount due to the certain cash at banks that is denominated in HK$ and US$. As such, the Group has limited exposure to any significant foreign currency exchange risks.

The Board of Directors does not expect any material impact on the Group's operations caused by any foreign currency fluctuations. No financial instruments were employed by the Group for hedging purpose during the Year.

HUMAN RESOURCES AND REMUNERATION POLICY

The emolument policy of the employees of the Group is determined by the management on the basis of their contribution, qualifications and competence.

As at 31 December 2024, the total number of full-time employees of the Group was 172 (2023: 201). Employee costs (including the Directors' remunerations) totally amounted to approximately RMB16.4 million for 2024 (2023: approximately RMB21.5 million). Meanwhile, taking into account the strategic goal of the Group, operating results, efforts and contributions made by each of our executive Directors, senior management and employees, and for the purposes of recognizing their value, motivating for better performance and skills, maintaining the Company's fast-growing development and achieving its long and short-term goals, the remunerations are in line with the market performance and their qualifications and abilities, and makes adjustment according to varied percentage. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in a defined central pension scheme managed by the relevant local government authorities in respective regions in the PRC where the Group is required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme.

The local government authorities are responsible for the entire pension obligations payable to the retired employees and the Group has no obligation for the payment of retirement benefits beyond the annual contributions. In 2024, the contributions of approximately RMB1.6 million (2023: approximately RMB2.1 million) were charged to the profit and loss account as they became payable in accordance with the rules of the central pension scheme.

PLEDGE OF ASSETS

As at 31 December 2024, the Group had buildings of approximately RMB19.1 million (2023: RMB21.3 million) pledged as security for obtaining certain bank and other borrowings granted to the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no capital commitments for acquisition of property, plant and equipment, which were contracted but not provided for (2023: nil). As at 31 December 2024, the Group had no material contingent liabilities (2023: nil).

IMPORTANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no significant events occurring after the Reporting Period up to the date of this announcement.

RESOURCES AND RESERVES

Yongfeng Mine

Our Yongfeng Mine is located in the Yongfeng County of Jiangxi Province, China and is connected by a 72-kilometer county road to the Yongfeng exit of a newly constructed expressway, which connects us to China's national transportation system.

The table below summarizes key information related to our current mining permit for the Yongfeng Mine.

Holder	Jiangxi Jueshi (Yongfeng) Mining Co. Ltd.
Nature of resource	marble
Covered area	approximately 1.3341 square kilometres
Issuance date	5 June 2020
Expiration date	5 June 2030
Permitted production volume	1,100,000 cubic meters per annum

The Jiangxi Province Bureau of Land and Resources assessed a mining right fee of RMB55.8 million for a period of 30 years. The mining right fee was fully paid in 2019. We obtained a mining permit in 2013 with an initial term of five years from 5 February 2013 to 5 February 2018 and was further extended to 5 June 2020. The term of our mining permit can be extended up to 30 years from the date of issue of the first mining permit on 5 February 2013 according to applicable PRC laws and regulations. In 2020, we obtained the renewed official mining permit with a valid period of 10 years from 5 June 2020 to 5 June 2030. The annual permitted production volume was expanded from 0.25 million cubic meters to 1.1 million cubic meters.

The following table summarizes the marble resources and reserves of our Yongfeng Mine, estimated as of 31 December 2024 under the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

RESOURCES	*Millions of cubic meters*
Measured	51.2
Indicated	46.6
Inferred	8.8
Total	106.6

RESOURCES	*Millions of cubic meters*
Proved	23.0
Probable	21.0
Total	44.0

The estimated resources and reserves of the Yongfeng Mine as of 31 December 2024 were arrived after taking into account the estimated resources and reserves of the Yongfeng Mine as of 30 September 2013 minus the amount of extraction in the course of the Group normal and routine mining activities carried out during the period from 1 October 2013 to 31 December 2024.

The estimated resources and reserves of Yongfeng Mine as of both 30 September 2013 (as disclosed in the Prospectus) and 31 December 2024 (as disclosed in this annual report) were based on the resources and reserves under the JORC Code, i.e. there was no change in the reporting standard used in arriving at these estimates on the respective dates. The methods used to estimate mineral resources and the parameters used for the estimated resources and reserves of the Company as of 30 September 2013 and 31 December 2024 were identical.

The Group took exploration, development and production activities with a volume of approximately 700.3 cubic metres for Yongfeng Mine in 2024 (2023: approximately 473.4 cubic metres).

OUTLOOK

Looking forward, the Group expects China's economic recovery to remain constrained by subdued domestic demand and a gradual property sector rebound, despite early signs of stabilization fostering cautious optimism. Global challenges, including geopolitical tensions and softening demand, may further impact our core operations. In October 2024, we announced plans to explore opportunities in the artificial intelligence ("AI") sector, a step toward diversification. The Group will maintain vigilance against unpredictable international developments, streamline production and operations, and adapt to evolving conditions. We will also seek to monetize non-core assets, such as the Warehouse Logistics Business, to enhance liquidity and lower debt, while pursuing projects that benefit the Group and its shareholders.

OTHER INFORMATION

SHARE CAPITAL

The total amount of authorised share capital of the Company is HK$300,000,000 divided into 30,000,000,000 ordinary shares of HK$0.01 each, with 1,185,094,625 ordinary shares in issue as at 31 December 2024.

During the Year, the Company issued 259,220,000 ordinary shares in total resulting from subscription of 61,720,000 new shares at HK$0.20 per share and placing of 197,500,000 shares at HK$0.1140 per share.

For details of capital structure, please refer to the section "**CAPITAL STRUCTURE**".

PRE-EMPTION RIGHT

Pursuant to the constitution of the Company and the laws of the Cayman Islands (the place where the Company was incorporated), no provision in relation to pre-emption rights shall apply to the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

NON-COMPLIANCE WITH LISTING RULES

There was no non-compliance with Listing Rules during the year ended 31 December 2024.

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 its own code of conduct for dealing in securities of the Company by the Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the required standards of dealings as set out in the Model Code throughout the year ended 31 December 2024.

DIVIDEND

The Board does not recommend payment of final dividend for the year ended 31 December 2024 (2023: nil).

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Ms. LUNG Yuet Kwan (as chairman), Mr. HUI Yat On and Mr. ZHAI Feiquan. The Audit Committee has adopted the terms of reference in compliance with the CG Code.

The Audit Committee has, in conjunction with the management of the Company, reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, and reviewed this audited results announcement as well as the audited annual results for the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and to enhance the corporate value, accountability and transparency of the Company.

The Company has complied with the code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, except for the following deviation.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and set out in writing.

On 1 December 2016, Ms. Wu, the Chairman then and an executive Director of the Company, had been appointed as the Acting Chief Executive Officer (details are set out in the Company's announcement dated 1 December 2016). Upon the appointment of Ms. Wu as the Acting Chief Executive Officer with effect from 1 December 2016, Ms. Wu assumed both the roles as the chairman then and the chief executive officer, resulting in deviation from code provision C.2.1 of the CG Code. The new re-designation of Ms. Wu from Chairman to Joint-Chairman effective from 30 September 2024 will result in the same deviation from code provision C.2.1 of the CG Code. Despite so, in view of the present rapid development of the Group and further expansion of its business, the Board is of the opinion that, Ms. Wu's extensive experience and knowledge in the business of the Group, together with the support of Mr. Tsai (Joint-Chairman and executive Director) and the management shall strengthen the solid and consistent leadership and thereby vesting the roles of both Joint-Chairman and Acting Chief Executive Officer in Ms. Wu allows efficient business planning and decision which is in the best interest of the business development of the Group.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance operations.

AUDITORS

On 18 October 2024, Elite Partners CPA Limited resigned as auditor of the Company and Suya WWC CPA Limited was appointed as the Company's auditor by the directors to fill the casual vacancy so arising.

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 to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute audits, reviews and other 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 the Company's auditors on this results announcement.

PUBLICATION OF AUDITED RESULTS ANNOUNCEMENT AND 2024 ANNUAL REPORT

This audited results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.artgo.cn). The annual report of the Company for the year ended 31 December 2024 will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Artgo Holdings Limited
Wu Jing
Joint-Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Ms. Wu Jing, Mr. Tsai Yu Shen and Mr. Wan Jian; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan.