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MOKINGRAN JEWELLERY GROUP CO., LTD.

夢金園黃金珠寶集團股份有限公司

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

(Stock Code: 2585)

UTILISATION OF CERTAIN IDLE PROCEEDS RAISED FROM H SHARE IPO FOR TEMPORARY REPLENISHMENT OF WORKING CAPITAL

Reference is made to the section headed "Future Plans and Use of Proceeds" in the prospectus published for the global offering ("**H Share Offering**") and listing (the "**Listing**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of H shares of MOKINGRAN JEWELLERY GROUP CO., LTD. (the "**Company**") dated November 21, 2024 (the "**Prospectus**"), in relation to, among others, the use of proceeds from the H Share Offering.

BASIC INFORMATION ON PROCEEDS RAISED FROM THE H SHARE OFFERING

The H shares of the Company were listed on the Stock Exchange on November 29, 2024. The net proceeds raised from the H Share Offering amounted to approximately HK$452.50 million (equivalent to approximately RMB420.70 million). As at November 30, 2025, approximately RMB100.66 million of the net proceeds has been utilised. All of the unutilised net proceeds (approximately RMB320.04 million) are deposited with certain licensed financial institutions in the PRC.

ADJUSTMENT TO THE PROCEEDS UTILISATION PLAN IN 2026 AND TEMPORARY REPLENISHMENT OF WORKING CAPITAL

As disclosed in the Prospectus, the Company planned to use the proceeds for the upgrading of production facilities, the establishment and expansion of marketing network and the information technology system enhancement. From the date of receipt of the proceeds up to November 30, 2025, RMB70.33 million has been utilised by the Company for the production facilities upgrading project, with a remaining balance of RMB140.07 million yet to be utilised; RMB23.53 million has been utilised for the establishment and expansion of marketing network, with a remaining balance of RMB119.47 million yet to be utilised; and RMB6.80 million has been utilised for the upgrading of information technology systems, with a remaining balance of RMB60.50 million yet to be utilised.

Since the Listing, in order to enhance the efficiency of fund utilisation, the Company has reduced non-essential expenditures while ensuring operational quality and operational stability. After prudent consideration and assessment of the prevailing market environment, the board of directors of the Company (the "**Board**") has re-planned the timetable of the use of proceeds for 2026, and expects that the utilisation period for certain portions of the proceeds will be extended to the end of 2027. To improve the efficiency of utilisation of the unutilised proceeds, the Board has resolved to temporarily apply an aggregate amount of RMB210 million of idle proceeds to replenish the Company's working capital for one year (the "**Utilisation Period**"), comprising RMB70 million for the production facilities upgrading project, RMB90 million for the establishment of the marketing network, and RMB50 million for the upgrading of information technology systems.

The details of the utilisation of the proceeds, as well as the proposed arrangement for the temporary replenishment of working capital, are set out below:

	Net proceeds *(RMB million)*	**Amount utilised as at 30 November 2025** *(RMB million)*	**Unutilised balance as at 30 November 2025** *(RMB million)*	**Expected amount to be utilised in 2026** *(RMB million)*	**Expected unutilised amount** *(RMB million)*	**Amount to be used for replenishing working capital** *(RMB million)*
Production facilities upgrade	210.40	70.33	140.07	70	70.07	70
Expansion of marketing network	143	23.53	119.47	29	90.47	90
Information technology systems upgrade	67.30	6.80	60.50	10	50.50	50
Total	**420.70**	**100.66**	**320.04**	**109**	**211.04**	**210**

Upon the expiry of the Utilisation Period, the Company will promptly and fully return such funds to the respective projects for their intended use. If the Company decides to accelerate the progress of any construction or investment project within the Utilisation Period, the Company will re-allocate the proceeds to such construction and investment projects at any time as required.

The temporary replenishment of working capital is primarily based on the current market conditions, aimed at maintaining a prudent pace of expansion and optimizing capital allocation. The arrangement will help to ensure the security of the Company's cash flow and enhance the Company's resilience against market risks. Concurrently, it ensures the Company's daily operational funding requirements are met while supporting the stable development of its core business. The temporary replenishment of working capital is in line with the Company's operational needs and strategic arrangements at the present stage. This temporary replenishment of working capital will not compromise the progress of the upgrading projects of production facilities and information technology systems and the expansion of marketing network.

The Board is of the view that the temporary use of the proceeds to replenish the Company's working capital will improve the efficiency of the Company's fund utilisation, reduce finance costs, and is in the interests of the Company and its shareholders as a whole.

By order of the Board
MOKINGRAN JEWELLERY GROUP CO., LTD.
夢金園黃金珠寶集團股份有限公司
WANG Zhongshan
Chairman and Executive Director

Shandong, the People's Republic of China
December 29, 2025

As at the date of this announcement, the Board comprises Mr. WANG Zhongshan, Ms. ZHANG Xiuqin, Mr. WANG Guoxin and Mr. WANG Zegang as executive directors; and Mr. Bai Xianyue, Mr. WENG Xin and Mr. DING Xiaodong as independent non-executive directors.