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**ARTGO HOLDINGS LIMITED**

**雅高控股有限公司**

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

**(Stock Code: 3313)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**RESULTS HIGHLIGHTS**

- The revenue of the Group for the six months ended 30 June 2024 amounted to approximately RMB27.8 million (2023: approximately RMB31.1 million), representing a decrease of 10.6% or approximately RMB3.3 million.
- The loss before tax of the Group for the six months ended 30 June 2024 amounted to approximately RMB24.2 million (2023: approximately RMB38.6 million), representing a decrease in loss of approximately RMB14.4 million.
- The Group's net loss for the six months ended 30 June 2024 amounted to approximately RMB24.5 million (2023: approximately RMB40.4 million).
- The basic and diluted loss per share attributable to ordinary equity holders of the Company amounted to RMB0.025 (2023: basic and diluted loss per share of approximately RMB0.150).

The board (the “**Board**”) of directors (the “**Directors**”) of ArtGo Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited interim condensed financial information of the Company for the six months ended 30 June 2024 (“**Review Period**”). The Company’s interim results for the Review Period have been reviewed and approved by the audit committee under the Board (“**Audit Committee**”) and have been approved by the Board on 30 August 2024.

## FINANCIAL INFORMATION

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 RMB’000 (Unaudited)	2023 RMB’000 (Unaudited)
Revenue	3	27,805	31,108
Cost of sales		<u>(20,259)</u>	<u>(23,366)</u>
<b>Gross profit</b>		<b>7,546</b>	7,742
Other income and gains	4	10,039	1,931
Selling and distribution expenses		(3,842)	(3,930)
Administrative expenses		(26,935)	(22,286)
Other expenses		(429)	(3,113)
Impairment loss on trade and bills receivables	11	(2,454)	(7,910)
Impairment loss on other receivables		(265)	–
Finance costs	5	(7,402)	(10,231)
Share of losses of associates		<u>(460)</u>	<u>(797)</u>
<b>LOSS BEFORE TAX</b>	6	<b>(24,202)</b>	(38,594)
Income tax	7	<u>(341)</u>	<u>(1,832)</u>
<b>LOSS FOR THE PERIOD</b>		<b><u>(24,543)</u></b>	<b><u>(40,426)</u></b>
			(Restated)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>			
— Basic and diluted	8		
— For loss for the period		<b><u>(RMB0.025)</u></b>	<b><u>(RMB0.150)</u></b>

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period attributable to:</b>		
Owners of the Company	(24,526)	(40,384)
Non-controlling interests	(17)	(42)
	<u>(24,543)</u>	<u>(40,426)</u>
<b>Loss for the period</b>	<b>(24,543)</b>	<b>(40,426)</b>
<b>Other comprehensive loss</b>		
<i>Items that will not be classified to profit or loss:</i>		
Exchange difference arising on translation to presentation currency	—	—
	<u>—</u>	<u>—</u>
<b>Total comprehensive loss for the period</b>	<b><u>(24,543)</u></b>	<b><u>(40,426)</u></b>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	(24,526)	(40,384)
Non-controlling interests	(17)	(42)
	<u>(24,543)</u>	<u>(40,426)</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	414,776	421,070
Investment properties	9	18,345	18,586
Right-of-use assets		266,192	271,357
Intangible assets		314,519	314,519
Prepayments, deposits and other receivables	10	3,904	4,009
Investments in associates		38,692	39,152
Deferred tax assets		206	156
		<b>1,056,634</b>	1,068,849
<b>CURRENT ASSETS</b>			
Inventories		19,220	18,784
Trade and bills receivables	11	26,013	24,946
Prepayments, deposits and other receivables	10	118,911	122,135
Restricted deposits		639	639
Cash and bank balances		6,976	100,956
		<b>171,759</b>	267,460
<b>CURRENT LIABILITIES</b>			
Trade payables	12	22,414	21,133
Contract liabilities		11,299	5,920
Other payables and accruals	13	54,765	55,639
Tax payables		23,346	23,994
Lease liabilities		1,017	964
Interest-bearing bank and other borrowings	14	58,550	63,300
		<b>171,391</b>	170,950
<b>NET CURRENT ASSETS</b>		<b>368</b>	96,510
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,057,002</b>	1,165,359

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Audited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	<i>14</i>	<b>178,620</b>	274,510
Deferred tax liabilities		<b>9,261</b>	8,984
Deferred income	<i>15</i>	<b>3,904</b>	4,009
Lease liabilities		<b>87</b>	588
Provision for rehabilitation		<b>21,247</b>	20,608
		<hr/>	<hr/>
Total non-current liabilities		<b>213,119</b>	308,699
		<hr/>	<hr/>
Net assets		<b>843,883</b>	856,660
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital		<b>177,769</b>	166,551
Reserves		<b>572,530</b>	597,056
		<hr/>	<hr/>
		<b>750,299</b>	763,607
Non-controlling interests		<b>93,584</b>	93,053
		<hr/>	<hr/>
Total equity		<b>843,883</b>	856,660
		<hr/> <hr/>	<hr/> <hr/>

## **NOTES:**

### **1. CORPORATE INFORMATION**

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 Review Period, the Group was principally engaged in the business of mining, processing, trading and sale of marble stones, calcium carbonate products and warehousing and logistics services.

### **2.1 BASIS OF PREPARATION**

The unaudited interim condensed financial information for the Review Period has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

### **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of this unaudited interim condensed financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

### **2.3 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES**

In preparing this unaudited interim condensed financial information, the Group adopted the following new or revised standards, amendments and interpretations which are effective as of 1 January 2024 and relevant to the operations of the Group:

The adoption of new or revised standards, amendments and interpretations does not have a material impact to the Group's results of operations or financial position.

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 Arrangement

### 3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the net sales of goods sold, net of various types of government surcharges.

The Group's revenue and contribution to consolidated results are mainly derived from its sale of marble and marble related products and calcium carbonate products and logistics services which is consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment.

#### Entity-wide disclosures

##### *Information about products*

The following table sets forth the total revenue from external customers by product and the percentage of total revenue by product during the Review Period:

	For the six months ended 30 June			
	2024		2023	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	(Unaudited)		(Unaudited)	
Marble stone products	–	–	2,560	8.2
Calcium carbonate products	<u>26,856</u>	<u>96.6</u>	<u>28,312</u>	<u>91.0</u>
Revenue from segment of marble products	<u>26,856</u>	<u>96.6</u>	30,872	99.2
Logistics and warehousing services	<u>949</u>	<u>3.4</u>	<u>236</u>	<u>0.8</u>
Total	<u><u>27,805</u></u>	<u><u>100.0</u></u>	<u><u>31,108</u></u>	<u><u>100.0</u></u>

*Operating Segment Information*

	For the six months ended 30 June 2024		
	Marble products <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
SEGMENT REVENUE	26,856	949	27,805
<b>Segment results</b>	<b>(14,112)</b>	<b>(1,076)</b>	<b>(15,188)</b>
<i>Reconciliation:</i>			
Interest income			278
Foreign currency loss, net			(6)
Finance costs (other than interest on lease liabilities)			(7,363)
Corporate and other unallocated expenses			<u>(1,923)</u>
Loss before tax			<u><u>(24,202)</u></u>
	For the six months ended 30 June 2023		
	Marble products <i>RMB'000</i> (Unaudited)	Others <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
SEGMENT REVENUE	30,872	236	31,108
<b>Segment results</b>	<b>(18,791)</b>	<b>(1,792)</b>	<b>(20,583)</b>
<i>Reconciliation:</i>			
Interest income			7
Foreign currency loss, net			(676)
Finance costs (other than interest on lease liabilities)			(10,196)
Corporate and other unallocated expenses			<u>(7,146)</u>
Loss before tax			<u><u>(38,594)</u></u>



### *Geographical information*

The following table sets out information about the geographical locations of external customers from which the Group's revenue is derived during the Review Period. The geographical locations of customers are determined based on the locations at which the goods were delivered.

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Domestic*:		
Mainland China	<u>27,805</u>	<u>31,108</u>
	<u><b>27,805</b></u>	<u><b>31,108</b></u>

\* Place of domicile of the Group's principal subsidiaries, Jiangxi Jueshi (Yongfeng) Mining Co., Ltd. ("**Jueshi Mining**"), ArtGo Stone (Jiangxi) Co., Ltd. ("**ArtGo Stone**"), Shanghai Junding Industrial Co., Ltd. ("**Shanghai Junding**"), ArtGo (Xuyi) Co. Ltd. ("**ArtGo Xuyi**"), ArtGo Junqi (Xiamen) ("**Xiamen Junqi**") and Jiangxi Keyue Technology Co., Ltd. ("**Jiangxi Keyue**").

As at the end of the Review Period, the Group's principal non-current assets were located in Mainland China.

### *Information about major customers*

Revenue from major customers, each of whom accounted for 10% or more of the total revenue, is set out below:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Customer A	<b>4,347</b>	3,836
Customer B	<b>N/A*</b>	4,137
Customer C	<u><b>6,859</b></u>	<u>N/A*</u>

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

#### 4. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income ( <i>note 6</i> )	278	7
Government subsidy	1,583	1,806
Waiver of loan principals and interest from loan restructuring	8,071	–
Deferred income released to profit or loss	105	105
Miscellaneous	2	13
	<u>10,039</u>	<u>1,931</u>

#### 5. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans	1,310	966
Unwinding of discount on rehabilitation	639	619
Interest on other borrowings	5,414	8,611
Interest on lease liabilities	39	35
	<u>7,402</u>	<u>10,231</u>

## 6. LOSS BEFORE TAX

The Group's loss before tax from continuing operations was arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Cost of inventories sold	19,492	23,366
Employee benefit expense (including directors' and chief executive's remuneration)		
— Salary, wages and other benefits	7,586	6,800
— Equity-settled share option expense (note 17)	—	—
Depreciation of property, plant and equipment	7,994	7,911
Depreciation of investment properties	241	803
Amortisation of intangible assets	—	5
Depreciation of right-of-use assets	4,799	4,675
Lease payments not included in the measurement of lease liabilities	126	50
Impairment losses recognised in trade and bills receivables (note 11)	2,454	7,910
Impairment losses recognised in other receivables	265	—
Loss on disposal of subsidiaries (note 18)	157	—
Foreign exchange losses, net	6	676
Bank interest income (note 4)	(278)	(7)

## 7. INCOME TAX

	For the six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current — Mainland China		
Charged for period	114	64
Underprovision in prior year	—	1,798
Deferred	227	(30)
Total tax expense for the Review Period	341	1,832

*Notes:*

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (b) No provision for Hong Kong profits tax has been made as the Group had no taxable profits derived from or earned in Hong Kong during the Review Period.
- (c) Pursuant to the income tax rules and regulations in the PRC, the subsidiaries located in Mainland China are liable to PRC corporate income tax at a rate of 25% on the assessable profits generated during the Review Period.

## **8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of loss per share is based on the loss attributable to owners of the Company for the Review Period of RMB24,526,000 (six months ended 30 June 2023: loss of RMB40,426,000) and the weighted average number of ordinary shares of 975,386,273 (six months ended 30 June 2023: 269,069,857\* restated) in issue during the Review Period.

The computations of diluted loss per share for the six months ended 30 June 2024 do not assume the exercise of the Company's share options as they would reduce loss per share.

The diluted loss per share for the six months ended 30 June 2023 was the same as basic loss per share as there were no potential outstanding shares.

\* Restated based on the rights issue that took place on 6 November 2023.

## **9. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

### **Property, plant and equipment**

During the six months ended 30 June 2024, the Group acquired items of property, plant and equipment with a cost of RMB1,700,000 (six months ended 30 June 2023: RMB40,000).

Items of property, plant and equipment with net carrying amount of RMBNil (six months ended 30 June 2023: RMB333,000) were disposed of during the six months ended 30 June 2024.

### **Investment properties**

During the six months ended 30 June 2024 and 30 June 2023, there were no completed transactions of addition and disposal of investment properties.

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<i>Current portion:</i>			
Prepayments in respect of:			
— Purchase of industrial goods		<b>20,804</b>	23,188
— Purchase of materials and supplies		<b>11,584</b>	12,426
— Service fee		<b>6,666</b>	3,895
Escrow funds	<i>(a)</i>	<b>201</b>	201
Performance security		<b>8</b>	8
Deductible input value-added tax		<b>1,381</b>	1,127
Deposits		<b>2,300</b>	2,031
Disposal of property, plant and equipment		<b>27,200</b>	30,000
Due from associates	<i>(b)</i>	<b>108</b>	51
Due from former subsidiaries		<b>56,100</b>	56,100
Other receivables		<b>2,553</b>	2,837
		<b>128,905</b>	131,864
Impairment allowance		<b>(9,994)</b>	(9,729)
		<b>118,911</b>	122,135
<i>Non-current portion:</i>			
Prepayments in respect of			
— Cultivated land used compensation	<i>(c)</i>	<b>3,904</b>	4,009
		<b>3,904</b>	4,009

### *Notes:*

- (a) The balance represents deposit made to Xuyi County Housing Bureau, which was held in escrow for the payment related to the construction of Xuyi Logistics Park.
- (b) The amount due from associates are unsecured, interest free and no fixed repayment terms.
- (c) The balance represents prepayments made to local authorities for occupation of the cultivated land at Yongfeng Mine. The prepayments will be charged to profit or loss on a straight-line method over the terms of the mining right.

## 11. TRADE AND BILLS RECEIVABLES

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	(Audited)
Trade and bills receivables	<b>89,552</b>	86,031
Allowance for credit losses	<b>(63,539)</b>	(61,085)
	<b><u>26,013</u></b>	<u>24,946</u>

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 and bills receivables relate to a limited number of major customers, there is a concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade and bills receivables as at 30 June 2024 and 31 December 2023, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>20,951</b>	19,156
1 to 3 months	<b>1,955</b>	3,053
3 to 6 months	<b>1,954</b>	2,291
6 to 12 months	<b>1,153</b>	446
Over 1 year	<b>–</b>	–
	<b><u>26,013</u></b>	<u>24,946</u>

The movement in the loss allowance for impairment of trade and bills receivables is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	(Audited)
At beginning of year	<b>61,085</b>	55,884
Release from disposal of subsidiary	<b>–</b>	(12,974)
Impairment losses provided ( <i>note 6</i> )	<b>2,454</b>	18,175
	<b><u>63,539</u></b>	<u>61,085</u>

## 12. TRADE PAYABLES

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Trade payables	<u><b>22,414</b></u>	<u>21,133</u>

An ageing analysis of the trade payable as at 30 June 2024 and 31 December 2023, based on the invoice date is as follows:

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 month	<b>3,586</b>	3,831
1 to 2 months	<b>1,481</b>	1,766
2 to 3 months	<b>1,501</b>	–
Over 3 months	<u><b>15,846</b></u>	<u>15,536</u>
	<u><b>22,414</b></u>	<u>21,133</u>

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

## 13. OTHER PAYABLES AND ACCRUALS

	<b>30 June 2024</b>	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
<i>Current portion:</i>		
Payables relating to:		
Taxes other than income tax	<b>4,209</b>	4,974
Professional fees	<b>10,042</b>	11,633
Payroll and welfare	<b>16,597</b>	15,525
Due to a director	<b>1,336</b>	138
Interest payables relating to:		
— Bank and other borrowings	<b>18,825</b>	16,962
— Purchase of mining right	<b>3,707</b>	3,707
Others	<u><b>49</b></u>	<u>2,700</u>
	<u><b>54,765</b></u>	<u>55,639</u>

#### 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Bank loans:		
Secured	15,000	15,000
Unsecured	15,000	15,000
Guaranteed	19,850	19,900
	<u>49,850</u>	<u>49,900</u>
Effective interest rate per annum (%)	<u>4.56–6.80</u>	<u>4.56–6.80</u>
Other borrowings:		
Unsecured	187,320	287,910
	<u>187,320</u>	<u>287,910</u>
Effective interest rate per annum (%)	<u>1.00–24.00</u>	<u>1.00–24.00</u>
Analysed into:		
Bank loans repayable:		
Within one year	41,850	49,900
In the second year	–	–
In the third year	8,000	–
	<u>49,850</u>	<u>49,900</u>
Other borrowings repayable:		
Within one year	16,700	13,400
In the second year	33,288	38,588
In the third to fifth years, inclusive	137,332	235,922
	<u>187,320</u>	<u>287,910</u>
Total bank and other borrowings	237,170	337,810
Portion classified as current liabilities	<u>(58,550)</u>	<u>(63,300)</u>
Non-current portion	<u>178,620</u>	<u>274,510</u>



## 15. DEFERRED INCOME

	<i>RMB'000</i>
Government grant	
At 1 January 2024 (Audited)	<b>4,009</b>
Released to profit or loss	<u>(105)</u>
At 30 June 2024 (Unaudited)	<u><b>3,904</b></u>

## 16. SHARE CAPITAL

### Shares

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Authorised:		
1,500,000,000 ordinary shares of HK\$0.20 each (2023: 1,500,000,000 ordinary shares of HK\$0.20 each)	<u><b>300,000</b></u>	<u>300,000</u>
Issued and fully paid:		
987,594,625 ordinary shares of HK\$0.20 each (2023: 925,874,625 ordinary shares of HK\$0.20 each)	<u><b>197,519</b></u>	<u>185,175</u>
Equivalent to approximately	<u><b>RMB177,769</b></u>	<u>RMB166,551</u>

A summary of movements in the Company's share capital is as follows:

Issued share capital:

	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares RMB'000</b>
At 1 January 2023	262,624,875	44,935
Issue of shares under share subscription ( <i>note a</i> )	46,000,000	8,314
Issue of shares under rights issue ( <i>note b</i> )	<u>617,249,750</u>	<u>113,302</u>
At 31 December 2023 (audited)	925,874,625	166,551
Issue of shares under share subscription ( <i>note c</i> )	<u>61,720,000</u>	<u>11,218</u>
At 30 June 2024 (unaudited)	<u><b>987,594,625</b></u>	<u><b>177,769</b></u>

*Note:*

- (a) During the six-months ended 30 June 2023, 46,000,000 new shares were issued under a Share Subscription Agreement at a consideration of RMB11,640,000 of which RMB8,314,000 was credited to the share capital and the balance RMB3,326,000 was credited to the share premium account.
- (b) During the Year, the Company conducted a rights issue exercise by issuing 617,249,750 rights shares at the subscription price of HK\$0.20 per rights share on the basis of two rights shares for every one existing share of the Company held by the qualifying shareholders of the Company on the record date (the “**Rights Issue**”). The Rights Issue exercise was completed on 6 November 2023 with all rights shares being fully subscribed. The net proceeds from the Rights Issue was approximately HK\$121.15 million (equivalent to approximately RMB111.51 million). Particulars of this event was set out in the Company’s prospectus dated 28 September 2023, the Company’s circular dated 25 August 2023 and the Company’s announcements dated 28 July 2023, 4 August 2023, 14 September 2023 and 3 November 2023 respectively.
- (c) During the six-months ended 30 June 2024, 61,720,000 new shares were issued under a Share Subscription Agreement at a consideration of RMB11,218,000 all of which was credited to the share capital and there was no remaining balance credited to the share premium account.

## **17. SHARE SCHEMES**

The Company adopted a new share option scheme (the previous share option scheme expired on 8 December 2023) and a share award scheme (collectively, “**2024 Share Schemes**”) pursuant to ordinary resolutions approved by the Company’s shareholders in a general meeting on 19 January 2024. The purpose of the 2024 Share Schemes is to enable the Company to grant share options and/or share award to eligible participants as incentives or rewards for their contribution to the Group.

During the Review Period ended 30 June 2024, the Company did not grant any share option or share award to eligible directors and employees under the 2024 Share Schemes and there was no share option being exercised.

The Group did not recognise any equity-settled expense (30 June 2023: Nil) during the period ended 30 June 2024 in relation to share options or share award granted by the Company.

## 18. DISPOSAL OF SUBSIDIARIES

### Disposal of Vigoroso Holdings Limited and its subsidiaries (“Vigoroso Group”)

On 30 June 2024, the Group disposed 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 cash flow and the carrying amount of the net assets of Vigoroso Group sold at the date of disposal were as follows:

	<i>RMB'000</i>
Other receivables	100
Right-of-use assets	366
Cash and bank balance	1,493
Other payables	<u>(2,250)</u>
Net liabilities disposed of	(291)
Non-controlling interest	<u>548</u>
Total	257
Loss on disposal	<u>(157)</u>
Consideration	<u><u>100</u></u>
Cash and bank balance disposal of and net cash outflow arising on disposal	<u><u>(1,493)</u></u>

## 19. DIVIDENDS

At a meeting of the Board held on 30 August 2024, the Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **General**

The first half of 2024 continued to be very tough and challenging. The PRC government has tried to implement some different policies and measures to stimulate the economic and to resolve the liquidity issues in the real estate sector but their ultimate effectiveness are still doubtful, and therefore, the economic recovery in the PRC in the first half of 2024 was weaker than what was originally expected. The uncertainty about China's economy was rising and it appeared that a lack of confidence in China's economic growth has been continually spreading. The much-anticipated solid growth in the post-coronavirus recovery did not materialize in 2023 as well as in the Review Period. To cope with the challenging environment, the Group continued to take a low-margin strategy to boost its sales and to improve its inventory turnover rate, and has been continuing its tightening credit policy to customers and enforcing its collection efforts on long-aged account, and at the same time, scaling down and restructuring its marble stone products operations (sale team, mining excavation and marble stone processing), slowing its capital expenditure, capital commitment, as well as payment in advance until the operating environment became more clear and stable.

#### **Marble and Mining and Calcium Carbonate Business**

The Group's marble stone products business is part of the supply chain of the real estate construction sector, which, to a large extent, has not been fully recovered from the pandemic (and so as the overall business of the Group). During the Review Period, 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, 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 Review Period. The Group did not record any revenue from marble stone products during the Review Period, whereas the revenue in last year's corresponding period was approximately RMB2.6 million. The decrease was mainly due to the very weak market demand from the real estate construction sector, and the scale-down and restructuring of marble stone products operations (sale team, mining excavation and marble stone processing) and tightening credit policy implemented by the Group.

Apart from the marble business, our marble downstream calcium carbonate business also faced a similar situation. Having said that, the calcium carbonate business contributed an aggregate of approximately RMB26.9 million to the Group’s revenue as compared to RMB28.3 million in the corresponding period of last year.

### **Rejections of Mining License Renewal Application**

As stated in the Company’s 2023 Annual Report, Lichuan Lotus Construction Material Co., Limited (“**Lotus Materials**”), a PRC subsidiary 80% owned by the Group, received a notification dated 19 March 2024 from the Natural Resources and Planning Bureau of Lichuan City (“**Lichuan Natural Resources Bureau**”) in Hubei Province that Lichuan Natural Resources Bureau has decided to reject the application for the renewal of mining license of Lichuan Mine. Therefore, Lotus Material has to write off the mining right of Lichuan Mine, resulting in a loss of RMB165.5 million in the financial year ended 31 December 2023. The management of Lotus Material had sought legal opinion and tried to liaise with Lichuan Natural Resources Bureau to revoke their decision but was unsuccessful. The Group finally sold its equity interests in Lotus Materials for RMB100,000 in the Review Period.

As stated in the Company’s 2023 Annual Report, Jiangxi Jueshi (Ji’an) Mining Co., Limited (“**Ji’an Mining**”), a PRC subsidiary wholly-owned by the Group, received a notification dated 18 March 2024 from the Natural Resources Bureau of Yongfeng County (“**Yongfeng Natural Resources Bureau**”) in Jiangxi Province that Yongfeng Natural Resources Bureau has decided to reject the application for the renewal of mining license of Zhangxi Mine. Therefore, Ji’an Mining has to write off the mining right of Zhangxi Mine, resulting in a loss of RMB116.6 million in the financial year ended 31 December 2023. The management of Ji’an Mining had sought legal opinion and tried to liaise with Yongfeng Natural Resources Bureau to revoke their decision but was unsuccessful. The Group will seek potential buyer to acquire its equity interests in Ji’an Mining in the second half of 2024.

### **Commodities Trading Business**

The deterioration of the China-US relationship following the trade war between these two giant economies has added tremendous uncertainties and risks to the business world. With such business climate since from 2020, the Group decided withholding any further commodities trading transactions until it is manageable to conduct such activities. As such the Group did not record any revenue from this business segment during both the Review Period and the corresponding period in 2023.

## Warehouse Logistics Business

In mid December 2019, after reviewing the warehouse logistics segment's business environment and its operation performance, the Group decided to abandon this business segment for the purpose of focusing more resources on the core business segment. Since then, the management has been in discussion with a potential buyer for disposing of the entire plant. Due to the outbreak of the COVID-19 pandemic, the negotiation for the disposal and the due diligent work conducted by the potential buyer have experienced certain delay. As at 31 December 2021, no legal binding agreement regarding the disposal was reached. The management was of view that, due to the unfavourable market conditions, there were uncertainties on reaching a final agreement of the disposal with the potential buyer. As such, the assets of the warehouse logistics business were no longer classified as assets held for sale since 31 December 2021.

In the fourth quarter of 2022, due to the economic uncertainties, the potential buyer decided not to continue the negotiation. In the Review Period, the Group's revenue from warehouse logistics segment amounted to approximately RMB0.95 million, representing 296% increase, as compared to approximately RMB0.24 million in the corresponding period 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.

## RESOURCES AND RESERVES

### Dejiang Mine

Our Dejiang Mine is located at Guan Jia Fen, Dejiang Town of Guizhou Province, the PRC. The table below summarizes key information related to our current mining permit for the Dejiang Mine.

Holder	Guizhou County Dejiang SanXin Stone Co., Ltd
Nature of resource	marble
Covered area	approximately 0.252 square kilometer
Issuance date	1 July 2015
Expiration date	1 January 2019
Permitted production volume	30,000 cubic meters per annum

The Guizhou Province Bureau of Land and Resources assessed a mining right fee of RMB0.55 million for a period of every three and a half year.

The following table summarizes the marble resources of our Dejiang Mine, estimated as of 30 June 2024 under Chinese Standards.

<b>Resources</b>	<b>Millions of cubic meters</b>
Indicated	1.3
Inferred	0.8
	<hr/>
Total	2.1
	<hr/> <hr/>

The Group did not have exploration, development and production activities for Dejiang Mine during the Review Period.

### **Yongfeng Mine**

Our Yongfeng Mine is located in the Yongfeng County of Jiangxi Province, the PRC 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 kilometer
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 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 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 30 June 2024 under the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (“**JORC Code**”).

<b>Resources</b>	<b>Millions of cubic meters</b>
Measured	51.2
Indicated	46.6
Inferred	8.8
	<hr/>
Total	106.6
	<hr/> <hr/>
<b>Reserves</b>	<b>Millions of cubic meters</b>
Proved	23.0
Probable	21.0
	<hr/>
Total	44.0
	<hr/> <hr/>

The estimated resources and reserves of the Yongfeng Mine as of 30 June 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’s normal and routine mining activities carried out during the period from 1 October 2013 to 30 June 2024.

The estimated resources and reserves of Yongfeng Mine as of both 30 September 2013 (as disclosed in the Prospectus) and 30 June 2024 (as disclosed above) 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 30 June 2024 were identical.

The Group did not have exploration, development and production activities for Yongfeng Mine in the Review Period (2023: 230 cubic meters).



## FINANCIAL REVIEW

### REVENUE

During the Review Period, the Group recorded an operating revenue of approximately RMB27.8 million, representing a decrease of 10.6% or approximately RMB3.3 million compared to the corresponding period of the previous year. The sales of calcium carbonate products contributes 96.6% or approximately RMB26.9 million to the Group's total revenue.

#### Sales by product categories

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

	For the six months ended 30 June			
	2024 (Unaudited)		2023 (Unaudited)	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Marble stone products	–	–	2,560	8.2
Calcium carbonate products	<b>26,856</b>	<b>96.6</b>	28,312	91.0
Revenue from segment				
marble products	<b>26,856</b>	<b>96.6</b>	30,872	99.2
Warehouse logistics	<b>949</b>	<b>3.4</b>	236	0.8
Total	<b>27,805</b>	<b>100.0</b>	31,108	100.0

### COST OF SALES

In the Review Period, the Group's cost of sales amounted to approximately RMB20.3 million, including the cost of calcium carbonate products of RMB19.6 million, which represented approximately 96.5% of the total cost of sale. The proportion of the cost of sales of calcium carbonate products was in line with its proportion of revenue contributions.

## **GROSS PROFIT AND GROSS PROFIT MARGIN**

The gross profit of the Group in the Review Period was approximately RMB7.5 million, decreased by approximately RMB0.2 million as compared to that of corresponding period of 2023. The gross profit margin in the Review Period was approximately 27.1%, while the gross profit margin in corresponding period of 2023 was approximately 24.9%. The overall gross profit margin of the sales of the Group in the Review Period improved slightly as compared to that of 2023 because the proportion of sales of calcium carbonate products (which is used to have higher gross profit margin than that of marble stone products) has increased from 91.0% to 96.6% in the Review Period as compared to that in the corresponding period in 2023.

## **OTHER INCOME AND GAINS**

Other income and gains mainly attributable to one-off gain of approximately RMB8.1 million (2023: Nil) accounting for waiver of loan principals and interests from loan restructuring, and government subsidy of RMB1.6 million (2023: RMB1.8 million).

## **SELLING AND DISTRIBUTION EXPENSES**

Selling and distribution expenses, mainly comprised of salaries of the Group's sales and distribution staff, travelling expenses, advertising costs and transportation costs, were approximately RMB3.8 million, representing approximately 13.8% of the revenue in the Review Period, while the selling and distribution expenses of RMB3.9 million in the corresponding period in 2023 accounted for approximately 12.6% of the revenue in the corresponding period of 2023. The selling and distribution expenses in the Review Period were slightly decreased by approximately RMB0.1 million.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses amounted to approximately RMB26.9 million, mainly comprised of salaries of administrative staff, office rental expense, consultant fees, other professional fee, depreciation of property, plant and equipment and amortization, accounting for approximately 96.9% of the revenue in the Review Period. The overall administrative expenses were RMB22.3 million in the corresponding period in 2023, accounting for approximately 71.6% of the revenue for the corresponding period in 2023. The overall administrative expenses in the Review Period were increased by RMB4.6 million compared to that of the corresponding period in 2023. Such increase was mainly due to (i) the temporary salary adjustment of a few of staff in the first half of 2023; and (ii) consultancy fee incurred in relation to the assessment and improvement of the Group's software system.

## **FINANCE COSTS**

Finance costs mainly included interests on bank loans and other borrowings. The finance costs decreased by RMB2.8 million from RMB10.2 million in the corresponding period in 2023 to approximately RMB7.4 million mainly due to the decrease in overall loan level during the Review Period.

## **IMPAIRMENT LOSSES**

In Review Period, the impairment losses on trade and bills receivables was approximately RMB2.5 million. In the corresponding period of 2023, the impairment losses on trade and bills receivables was RMB7.9 million. The decrease in impairment losses on trade and bill receivables by RMB5.4 million was mainly due to the relatively adverse business environments and severe liquidity problems of customers from the real estate construction sector in the first half of 2023.

## **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 30 June 2024, the total number of full-time employees of the Group was 204 (as at 30 June 2023: 205). Total employee costs (including the directors' remunerations, but excluding equity-settled share option expense) amounted to approximately RMB7.6 million for the Review Period (for the six months ended 30 June 2023: approximately RMB6.8 million). Taking into account of the strategic goal of the Group, operating results, efforts and contributions made by each of the 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 the corresponding qualifications and abilities, and adjustments are made according to varied percentage, and the staff costs (excluding equity-settled share option expenses) had increased by approximately RMB0.8 million in the Review Period because of the temporary salary adjustment of a few staff in the first half of 2023. The Group recruited and promoted individual persons according to their strength and development potential. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

## **INCOME TAX EXPENSE**

Income tax expense decreased by approximately RMB1.5 million for the six months ended 30 June 2024.

## **PROFITS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE REVIEW PERIOD**

The net loss attributable to owners of the Company during the Review Period amounted to approximately RMB24.5 million compared to net loss of RMB40.4 million for the corresponding period in 2023. The decrease in net loss are mainly due to the net effect of (i) decrease in finance costs; (ii) decrease in impairment loss on trade and bills receivables; (iii) increase in other income and gains; and (iv) increase in administrative expenses during the Review Period.

## **NET CURRENT ASSETS**

As at 30 June 2024, the Group has net current assets of approximately RMB0.4 million (31 December 2023: the net current assets of the Group was approximately RMB96.5 million).

## **CURRENT RATIO**

The current ratio, being current assets over current liabilities, was 1.0 as at 30 June 2024 (31 December 2023: 1.6). The decrease in current ratio was mainly due to the decrease of the cash and bank balances from RMB101.0 million as at 31 December 2023 to RMB7.0 million at the end of the Review Period.

## **BORROWINGS**

As at 30 June 2024, the Group had total borrowings of approximately RMB237.2 million (31 December 2023: RMB337.8 million). During the Review Period, the net amount decreased in borrowings is approximately RMB100.6 million.

## **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 loans and other loans and it excludes liabilities incurred for working capital purposes. As at 30 June 2024, the gearing ratio was approximately 27.3% (31 December 2023: approximately 27.6%).

## CAPITAL STRUCTURE

The Company has 987,594,625 ordinary shares in issue as at 30 June 2024.

During the Review Period, 61,720,000 new shares were issued by the Company at HK\$0.20 per share under a Share Subscription Agreement signed on 26 January 2024. Gross proceeds of HK\$12.34 million was received by the Company upon completion on 6 February 2024.

## USE OF PROCEEDS

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

As disclosed in the Company's announcements dated 26 January 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 30 June 2024:

	<i>HK\$'million</i>
Net proceeds	12.24
Repayment of loans and other payables	2.88
Salaries expenses	2.57
Professional fees	1.85
Daily operation expenses	3.05
	<hr/>
Total of fund utilized up to 30 June 2024	10.35
	<hr/>
Remaining unutilized balance as at 30 June 2024	1.89
	<hr/> <hr/>

The remaining unutilized balance is expected to be fully utilized in the second half of 2024.

**(ii) Issue of 617,249,750 rights shares under the Rights Issue 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: as to (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\$4.10million for salaries expenses, approximately HK\$4.10million 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 Rights Issue from its completion on 6 November 2023 up to 30 June 2024:

<b>Intended use</b>	<b>Planned use of proceeds</b>	<b>Utilization up to 31 December 2023</b>	<b>Utilization in the Review Period</b>	<b>Balance up to 30 June 2024</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
<b>Repayment of loans and other payables</b>	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	–
	<u>121.15</u>	<u>13.98</u>	<u>107.17</u>	<u>–</u>
Total	<u>121.15</u>	<u>13.98</u>	<u>107.17</u>	<u>–</u>

**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. For the Review Period, the Group's expenditure for purchase of property, plant and equipment amount to RMB1.7 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 which are denominated in HK\$. As such, the Group has limited exposure to any significant foreign currency exchange risks. The Board 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 Review Period.

## PLEDGE OF ASSETS

As at 30 June 2024, the Group did not pledge any assets to secure the bank and other borrowings.

## IMPORTANT EVENTS OCCURRED AFTER THE REVIEW PERIOD

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 “**New Shares**”) (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 in accordance with the Memorandum and Articles 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.

## **OUTLOOK**

Looking forward to the future, there are still uncertainties and challenges in the PRC and the global economy, particularly, the increasing tension between China and US, and the war between Russia and Ukraine remaining a concern to the business world. The Group will keep monitoring the development of matters affecting the business of the Group and assessing the potential impact on the Group's financial position and operating results and adopt its business plans in response to the ever-changing business environment. Meanwhile, the Group will continue identifying any project or business which is beneficial to the Group and its shareholders as a whole and improving/reducing overall debt levels.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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

The Company has applied the principles and complied with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2024 except for the following deviation.

From 1 December 2016, Mr. GU Weiwen has been re-designated and appointed as vice chairman of the Board, and Ms. WU Jing has been appointed as the Acting Chief Executive Officer. Upon the appointment of Ms. Wu as the Acting Chief Executive Officer, Ms. Wu assumes both the roles as the Chairman and the chief executive officer of the Company in deviation from code provision A.2.1 of the CG Code. Despite so, in view of the present rapid development of the Group and further expansion of its downstream business, the Board needs the experience of Mr. Gu in doing his Vice Chairman work and the Board believes that Mr. Gu and Ms. Wu's extensive experience and knowledge, together with the support of the management shall strengthen the solid and consistent leadership and thereby vesting the roles of both Chairman and the 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.

## **NON-COMPLIANCE WITH LISTING RULES**

There was no non-compliance with the Listing Rules during the review period ended 30 June 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 10 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 Review Period.

## **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 including a review of this results announcement and the interim reports of the Company as well as the interim condensed financial information of the Group for the Review Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Review Period.

## **PUBLICATION OF 2024 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the Company’s website ([www.artgo.cn](http://www.artgo.cn)) and the Stock Exchange’s website ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company’s 2024 Interim Report will be made available on the websites of the Company and Stock Exchange and will be dispatched to the Company’s shareholders in due course.

By order of the Board of  
**ArtGo Holdings Limited**  
**Wu Jing**  
*Chairman and Executive Director*

Hong Kong, 30 August 2024

*As at the date of this announcement, the executive Directors are Mr. Gu Weiwen, Mr. Zhang Jian, Ms. Wu Jing 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.*