



ARTGO HOLDINGS
雅高控股

雅高控股有限公司
ARTGO HOLDINGS LIMITED
(Stock code: 03313)

2015 Interim Recorded Net Profit RMB40 million

**Actively expanding downstream business to further strengthen
integrated value chain in marble industry
Bright business prospect ahead**

(31 August 2015 - Hong Kong) ArtGo Holdings Limited (“ArtGo” or the “Group”, stock code: 3313.HK) which owns China’s largest white-grey marble quarry and a vertically integrated operating model that converges exploration, production, supply, distribution and sales of marbles is pleased to announce the unaudited interim financial results of the Company for the six months ended 30 June 2015 (“Review Period”). During the Review Period, **the Group achieved approximately RMB150.1 million revenue, the Group’s gross profit was RMB83.6 million, gross profit margin was 55.7%, net profit was RMB40 million.** The Group expects, **being benefitted by the increasing demand for marble stones as well as the new “ArtMore” brand launched in May 2015 targeting B2C home decoration market, its business will have significant growth in the coming half year.**

For the second half of 2015, based on its current vertically integrated business model, ArtGo Holdings will simultaneously work on expanding its upstream, middle stream and downstream business. In respect of the **upstream business**, the Group **launched the first B2B website “CN Stone Database & Exchange” for the stone industry which serves as an integrated platform for stone industry information sharing, stone trading and internet finance.** The Group effectively integrates the upstream superior mining resources from both domestic and overseas market through this platform. Currently, strategic cooperation is established with many high-quality stone dealers for more supply of diversified marble stones in the future in order to strengthen the overall control of the upstream value chain.

In respect of the **middle stream business**, the Group is now in the process of **building its own processing plant** which is only 62 kilometers away from the Mine. **Upon completion of the processing plant, our processing and transportation costs are expected to drop significantly and the Group will be capable of producing more marble products with high added-value.** The new processing plant is estimated to commence production in 2016 with annual production target two million square meters. The Group is also working with some elite processing factories in the world's largest stone processing hub Fujian Shuitou and has sent over a professional management team to straightly monitor the product quality.

In respect of the **downstream business**, the Group will work best at expanding broader and more diversified sales channels in the second half of the year for promoting the **two brands "ArtGo" and "ArtMore" which target construction and home decoration market** respectively. For "ArtGo" which focuses on B2B construction market, the Group is actively pushing forward the cooperation with more property developers for strengthening direct sales and its brand impact in China market. **The Group owns the largest marble distribution network in China under the "ArtGo" brand.** As at 30 June 2015, there are 121 distributors in total, spreading over 29 provinces and autonomous regions and 95 cities across China. As the Group will continue to expand its sales network in the later half of the year, its market penetration rate is expected to continue its upward trend.

As for the "ArtMore" brand, which was newly established by the Group in May during the year, the B2C home decoration market is its target market. Sales of this brand will be realized through the O2O model. In addition to opening online brand stores in "JD.com (京東商城)" and "Tmall (天貓)", the Group will also establish strategic cooperation with large-sized home decoration e-commerce platforms to develop the stone-related home decoration market. In connection with the offline works for the "ArtMore" brand, the Group will allocate substantial resources on developing the nationwide distribution network. Those distributors owning high-quality stores act as agencies to sell our products physically and promote our unique product series under relevant cooperation arrangement. In addition, the Group seeks to further explore the downstream sales channel through cooperation with various international design institutions for research and design standardized marble products as well as expand downstream sales channels.

Mr. Liu Chuanjia, the Chairman of ArtGo, said, "For the over 20 years spent on stones, from stone graving to stone trading, my belief remains unchanged, I am always awed into nature, have a respect for lives and am passionate about stones which give meaning to lives.

I have the desire to apply brand new concepts to push forward the upgrade and reform of China stone industry. God rewards people for their hard work; people win trust and friendship for their sincerity; business is valued for its honesty; morality concurs. ArtGo Holdings was established in-between my lifetime journey and personal believes. As of today, ArtGo is the market pioneer among distributors for adopting the fully integrated industry value chain, from mine investment and extraction, stones production and processing to sales and installation. Product processing is about maximizing the usage of stone remains, whereas home decoration design is about highly efficient and natural use of space. We are working hard to make all possible products out of every piece of stone to decorate a more beautiful life. "Appreciate life, endless life" is the belief of ArtGo brand."

Mr. Liu Chuanjia, the Chairman of ArtGo further added, "The Group's business has been under high-speed development for the first half of 2015. We launched the "ArtMore" brand which emphasizes on nature, simplicity and delicacy and targets mid-to-high end B2C market. Siezing the vast development of "Internet+" and O2O, the Group setup the first "Stone Experience Store" in Xiamen, and launched the first marble industry B2B integrated platform "CN Stone Database & Exchange" and setup "ArtMore" online store in JD.com. The Group hopes to lead the future development of China's stone industry, to create 'Chinese stone brand' and to bring quality marble products to daily lives. To encourage employees to pursue their dream, to let the Group to become the pride of China, to contribute our society and to seek optimal return for our shareholders."

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About ArtGo Holdings Limited (Stock code: 03313.HK)

ArtGo Holdings Limited ("ArtGo") is a full industrial-chain enterprise specializing in marble products. Its business cover mining, international production, automated production, product research and development, customized high-end housing and overall space decoration. ArtGo's marble distribution network in China consists of 121 distributors and covers 95 cities across 29 provinces and municipalities. The product line of "ArtGo" covers marble slabs and targets construction market. The product line of "ArtMore" covers standard cut-to-size slabs, bathroom products, tailor-made marble furniture and marble artworks. At present, ArtGo owns the largest white-grey marble quarry in China. The Company's second largest shareholder is Carlyle Group, one of the largest investment institutions in the world.

For further information, please refer to the Company's website at <http://www.artgo.cn>

Projects using “ArtGo” Brand



Shanghai Vanke Feicui Binjiang: use grey marbles as surfacing, the natural vein lines and the greyish-white color creates a naturally elegant environment.



Nanning Wanda Mandarin Hotel: wall and ground surface was covered with ArtGo Jade series, creating a special kind of beauty in terms of construction.



Chengdu Intime: application of Marble Stones creates a strong visual impact bringing luxurious and bright feelings.



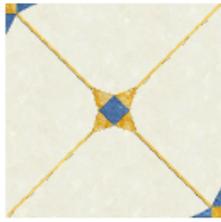
Hangzhou Xintiandi Shangzuo: application of translucent and jade-texture superior marble stones to create the business sentiment of Hangzhou Xintiandi.

The four product series under “ArtMore”

“Elegance”



Secret Garden



Starry Sky



Dream about Toronto

“Luxury”



Garden of Eden



Golden Bells



First Snow

“Fashionable”



Hoothstooth



Looking into each others' eyes



Infinity

“Simplicity”



Tidal Waves



BW Waltz



Ripples