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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 2025**

**RESULTS HIGHLIGHTS**

- The revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB30.7 million (2024: RMB27.8 million), representing an increase of approximately 10.4% or RMB2.9 million.
- The loss before tax of the Group for the six months ended 30 June 2025 amounted to approximately RMB26.8 million (2024: RMB24.2 million), representing an increase in loss of approximately RMB2.6 million.
- The Group's net loss for the six months ended 30 June 2025 amounted to approximately RMB26.9 million (2024: RMB24.5 million).
- The basic and diluted loss per share attributable to ordinary equity holders of the Company amounted to approximately RMB0.023 (2024: basic and diluted loss per share of RMB0.025).

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 2025 (“**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 29 August 2025.

## FINANCIAL INFORMATION

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

*For the six months ended 30 June 2025*

		For the six months ended 30 June	
		2025	2024
	Notes	RMB’000 (Unaudited)	RMB’000 (Unaudited)
<b>Revenue</b>	3	<b>30,709</b>	27,805
Cost of sales		<b>(22,918)</b>	(20,259)
<b>Gross profit</b>		<b>7,791</b>	7,546
Other income and gains	4	<b>2,147</b>	10,039
Selling and distribution expenses		<b>(3,233)</b>	(3,842)
Administrative expenses		<b>(21,450)</b>	(26,935)
Other expenses		<b>(239)</b>	(429)
Expected credit loss on trade receivables		<b>(2,669)</b>	(2,454)
Expected credit loss on other receivables		<b>(280)</b>	(265)
Finance costs	5	<b>(8,371)</b>	(7,402)
Share of results of associates		<b>(498)</b>	(460)
<b>LOSS BEFORE TAX</b>	6	<b>(26,802)</b>	(24,202)
Income tax expense	7	<b>(143)</b>	(341)
<b>LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(26,945)</b>	(24,543)
Attributable to:			
Owners of the Company		<b>(26,945)</b>	(24,526)
Non-controlling interests		<b>—</b>	(17)
		<b>(26,945)</b>	(24,543)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>	8		
— Basic and diluted		<b>(RMB0.023)</b>	(RMB0.025)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<b>404,259</b>	409,431
Investment properties	9	<b>18,143</b>	18,345
Right-of-use assets		<b>257,227</b>	261,609
Intangible assets		<b>80,449</b>	80,449
Investments in associates		<b>36,834</b>	37,332
Prepayments, deposits and other receivables	10	<b>2,836</b>	3,370
Deferred tax assets		<b>156</b>	156
Total non-current assets		<b>799,904</b>	810,692
<b>CURRENT ASSETS</b>			
Inventories		<b>29,279</b>	23,558
Trade receivables	11	<b>16,070</b>	19,073
Prepayments, deposits and other receivables	10	<b>136,857</b>	129,626
Restricted deposits		<b>634</b>	634
Cash and bank balances		<b>7,627</b>	16,053
Total current assets		<b>190,467</b>	188,944
<b>CURRENT LIABILITIES</b>			
Trade payables	12	<b>27,481</b>	23,278
Contract liabilities		<b>14,372</b>	11,945
Other payables and accruals	13	<b>71,110</b>	76,866
Tax payables		<b>23,600</b>	26,153
Lease liabilities		<b>87</b>	610
Interest-bearing bank and other borrowings	14	<b>26,694</b>	24,730
Total current liabilities		<b>163,344</b>	163,582
<b>NET CURRENT ASSETS</b>		<b>27,123</b>	25,362
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>827,027</b>	836,054

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	14	<b>218,098</b>	200,720
Deferred tax liabilities		<b>9,010</b>	8,984
Deferred income	15	<b>3,694</b>	3,799
Provision for rehabilitation		<b>22,466</b>	21,847
		<hr/>	<hr/>
Total non-current liabilities		<b>253,268</b>	235,350
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>573,759</b>	600,704
		<hr/>	<hr/>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital	16	<b>10,690</b>	10,690
Reserves		<b>469,486</b>	496,431
		<hr/>	<hr/>
		<b>480,176</b>	507,121
Non-controlling interests		<b>93,583</b>	93,583
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>573,759</b>	600,704
		<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 Room C2, Office A, 14/F Bangkok Bank Building, 28 Des Voeux Road Central, 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 logistics and warehousing 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" and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 2024.

### **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 2024.

### **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 2025 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 IAS 21

The effects of changes in foreign exchange rates —  
lack of exchangeability

### 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 and warehousing 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			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
Marble stone products	<b>1,061</b>	<b>3.5</b>	–	–
Calcium carbonate products	<b>28,477</b>	<b>92.7</b>	26,856	96.6
Revenue from segment of marble products	<b>29,538</b>	<b>96.2</b>	26,856	96.6
Logistics and warehousing services	<b>1,171</b>	<b>3.8</b>	949	3.4
Total	<b>30,709</b>	<b>100.0</b>	27,805	100.0

Timing of revenue recognition:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Goods transferred on a point in time basis	<b>29,538</b>	26,856
Services transferred on over time basis	<b>1,171</b>	949
	<b>30,709</b>	27,805

## Operating Segment Information

	For the six months ended 30 June 2025		
	Marble products RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
SEGMENT REVENUE	29,538	1,171	30,709
<b>Segment results</b>	<b>(6,153)</b>	<b>(816)</b>	<b>(6,969)</b>
<i>Reconciliation:</i>			
Interest income			277
Foreign exchange loss, net			(786)
Finance costs (other than interest on lease liabilities)			(8,331)
Corporate and other unallocated expenses			<u>(10,993)</u>
Loss before tax			<u><u>(26,802)</u></u>
	For the six months ended 30 June 2024		
	Marble products RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (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 exchange loss, net			(6)
Finance costs (other than interest on lease liabilities)			(7,363)
Waiver of loan principals and interest from loan restructuring			8,071
Corporate and other unallocated expenses			<u>(9,994)</u>
Loss before tax			<u><u>(24,202)</u></u>

## Geographical information

All external revenue of the Group during the six months ended 30 June 2025 and 2024 were attributable to customers located in the PRC, the place of domicile of the Group's operating entities.

As at 30 June 2025 and 31 December 2024, the Group's principal non-current assets were in the PRC.

### 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>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>Marble product segment</u></b>		
Customer A	<b>10,758</b>	6,859
Customer B	<b>N/A*</b>	4,347

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

## 4. OTHER INCOME AND GAINS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Bank interest income ( <i>note 6</i> )	<b>277</b>	278
Government subsidy*	<b>1,673</b>	1,583
Waiver of loan principals and interest from loan restructuring	<b>–</b>	8,071
Deferred income released to profit or loss	<b>105</b>	105
Miscellaneous	<b>92</b>	2
	<b>2,147</b>	10,039

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

## 5. FINANCE COSTS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on bank loans	<b>1,173</b>	1,310
Interest on other borrowings	<b>6,539</b>	5,414
Unwinding of discount on rehabilitation	<b>619</b>	639
Interest on lease liabilities	<b>40</b>	39
	<b>8,371</b>	7,402

## 6. LOSS BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories sold	22,236	19,492
Employee benefit expense (including directors' and chief executive's remuneration)		
— Salary, wages and other benefits	9,070	7,586
Depreciation of property, plant and equipment	6,327	7,994
Depreciation of investment properties	202	241
Depreciation of right-of-use assets	4,382	4,799
Lease payments not included in the measurement of lease liabilities	116	126
Expected credit loss in trade receivables ( <i>note 11</i> )	2,669	2,454
Expected credit loss in other receivables ( <i>note 10</i> )	280	265
Loss on disposal of subsidiaries ( <i>note 18</i> )	—	157
Foreign exchange losses, net	786	6
Bank interest income ( <i>note 4</i> )	(277)	(278)

## 7. INCOME TAX EXPENSE

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current — PRC		
Charged for period	117	114
Deferred tax	26	227
	<b>143</b>	<b>341</b>

*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 both period.
- (c) 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% during the six month ended 30 June 2025 (six month ended 30 June 2024: 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.

## **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 six months ended 30 June 2025 of approximately RMB26,945,000 (six months ended 30 June 2024: loss of RMB24,526,000) and the weighted average number of ordinary shares of approximately 1,185,094,625 (six months ended 30 June 2024: 975,386,273) in issue during the period.

The diluted loss per share for the six months ended 30 June 2025 and 2024 was the same as basic loss per share as there were no potential outstanding shares.

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

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

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB1,200,000 (six months ended 30 June 2024: RMB1,700,000).

No property, plant and equipment were disposed of during the six months ended 30 June 2025 and 2024.

### **Investment properties**

During the six months ended 30 June 2025 and 30 June 2024, there were no completed transactions of addition and disposal of investment properties.

## 10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		30 June 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
<i>Current portion:</i>			
Prepayments in respect of:			
— Purchase of industrial goods		30,347	26,578
— Purchase of materials and supplies		17,244	15,556
— Service fee		6,835	7,359
Escrow funds	(a)	151	151
Performance security		8	8
Deposits		1,834	1,951
Disposal of property, plant and equipment		23,027	23,027
Due from associates	(b)	185	150
Due from former subsidiaries	(c)	56,140	56,100
Other receivables		14,129	11,509
		<u>149,900</u>	<u>142,389</u>
Expected credit loss	(d)	<u>(13,043)</u>	<u>(12,763)</u>
		<u>136,857</u>	<u>129,626</u>
<i>Non-current portion:</i>			
Prepayments in respect of			
— Cultivated land used compensation	(e)	<u>2,836</u>	<u>3,370</u>

### 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 amounts due from former subsidiaries are interest free with fixed repayment term, guaranteed and secured by a former subsidiary with its 49% equity interests in Shanghai Yunyi Enterprise Management Co., Ltd.

(d) The movement in the expected credit losses of other receivables is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
At beginning of period/year	<b>12,763</b>	9,729
Expected credit losses ( <i>note 6</i> )	<u><b>280</b></u>	<u>3,034</u>
At end of period/year	<u><b>13,043</b></u>	<u>12,763</u>

(e) 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 RECEIVABLES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
Trade receivables	<b>83,740</b>	84,074
Allowance for expected credit losses	<u><b>(67,670)</b></u>	<u>(65,001)</u>
	<u><b>16,070</b></u>	<u>19,073</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 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 receivable balances. Trade receivables are non-interest-bearing and unsecured.

An ageing analysis of the trade receivables as at 30 June 2025 and 31 December 2024, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Within 1 month	<b>6,511</b>	6,817
1 to 3 months	<b>4,982</b>	6,932
3 to 6 months	<b>2,106</b>	4,142
6 to 12 months	<b>2,471</b>	1,182
	<b><u>16,070</u></b>	<b><u>19,073</u></b>

The movement in the expected credit loss of trade receivables is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
At beginning of period/year	<b>65,001</b>	61,085
Expected credit losses ( <i>note 6</i> )	<b><u>2,669</u></b>	<u>3,916</u>
At end of period/year	<b><u>67,670</u></b>	<b><u>65,001</u></b>

## 12. TRADE PAYABLES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Trade payables	<b>27,481</b>	23,278

An ageing analysis of the trade payable as at 30 June 2025 and 31 December 2024, based on the invoice date is as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Within 1 month	<b>6,665</b>	20
1 to 2 months	<b>1,566</b>	120
Over 3 months	<b>19,250</b>	23,138
	<b>27,481</b>	23,278

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 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Payables relating to:		
Taxes other than income tax	<b>4,628</b>	6,143
Professional fees	<b>11,619</b>	12,628
Payroll and welfare	<b>13,684</b>	20,847
Due to directors	<b>588</b>	2,781
Interest payables relating to:		
— Bank and other borrowings	<b>34,785</b>	29,263
— Purchase of mining right	<b>3,707</b>	3,707
Others	<b>2,099</b>	1,497
	<b>71,110</b>	76,866

# 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank loans:		
Secured	15,000	15,000
Unsecured	10,000	10,000
Guaranteed	30,194	24,630
	<u>55,194</u>	<u>49,630</u>
Effective interest rate per annum (%)	<u>3.85–4.80</u>	<u>3.85–4.80</u>
Other borrowings:		
Unsecured	189,598	175,820
	<u>189,598</u>	<u>175,820</u>
Effective interest rate per annum (%)	<u>3.00–24.00</u>	<u>3.00–24.00</u>
Analysed into:		
Bank loans repayable:		
Within one year	19,294	24,730
In the second year	28,900	24,900
In the third to fifth years, inclusive	7,000	–
	<u>55,194</u>	<u>49,630</u>
Other borrowings repayable:		
Within one year	7,400	–
In the second year	–	7,400
In the third to fifth years, inclusive	168,420	168,420
Over five years	13,778	–
	<u>189,598</u>	<u>175,820</u>
Total bank and other borrowings	244,792	225,450
Portion classified as current liabilities	<u>(26,694)</u>	<u>(24,730)</u>
Non-current portion	<u>218,098</u>	<u>200,720</u>

## 15. DEFERRED INCOME

**RMB'000**

Government grant

At 1 January 2024 (audited)	4,009
Released to profit or loss	(210)
	<hr/>
At 31 December 2024 and 1 January 2025 (audited)	<b>3,799</b>
Released to profit or loss	<b>(105)</b>
	<hr/>
At 30 June 2025 (unaudited)	<b>3,694</b>
	<hr/>

## 16. SHARE CAPITAL

### Shares

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Authorised:		
30,000,000 ordinary shares of HK\$0.01 each	<b>300,000</b>	300,000
	<hr/>	<hr/>
Issued and fully paid:		
1,185,094,625 ordinary shares of HK\$0.01 each	<b>11,851</b>	11,851
	<hr/>	<hr/>
Equivalent to approximately	<b>RMB10,690</b>	RMB10,690
	<hr/>	<hr/>

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 2024 (audited)	925,874,625	166,551
Issue of shares under share subscription ( <i>note (a)</i> )	61,720,000	11,186
Issue of shares under share placing ( <i>note (b)</i> )	197,500,000	2,190
Capital reduction ( <i>note (c)</i> )	–	(169,237)
	<hr/>	<hr/>
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	<b>1,185,094,625</b>	<b>10,690</b>
	<hr/>	<hr/>

*Note:*

- (a) On 26 January 2024, 61,720,000 new shares were issued under share subscription agreements at the subscription price of HK\$0.2 per share with the net proceeds of approximately HK\$11,218,000 (equivalent to approximately RMB10,158,000), all of which was credited to the share capital.
- (b) On 27 September 2024, 197,500,000 new shares were issued under the placing agreement at the placing price of HK\$0.1140 per placing share. The net proceeds are approximately HK\$20,558,000 (equivalent to approximately RMB18,544,000).
- (c) On 23 May 2024, the Company proposed the capital reduction and the share sub-division to be implemented in the following manner: (i) the issued share capital of the Company will 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 will be reduced from HK\$0.20 to HK\$0.01; and (ii) immediately following the capital reduction, each of the authorised but unissued shares of par value HK\$0.20 each will be sub-divided into twenty (20) new shares of par value HK\$0.01 each.

On 30 July 2024, the proposed capital reorganisation was passed and approved as an special resolution by the shareholders of the Company at the special general meeting, the authorised share capital of the Company changed from HK\$300,000,000 divided into 1,500,000,000 ordinary shares of HK\$0.2 each to HK\$300,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.01 each while the shares in issue changed accordingly after the capital reorganisation which has become effective on 30 July 2024. All the credits of approximately HK\$187,643,000 (equivalent to approximately RMB169,237,000) arising from the capital reduction were transferred to the share premium account of the Company.

## 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 six months ended 30 June 2025 and 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 during the six months ended 30 June 2025 and 2024 in relation to share options or share award granted by the Company.

## 18. DISPOSAL OF SUBSIDIARIES

### For the six months ended 30 June 2024

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

## 19. DIVIDENDS

At a meeting of the Board held on 29 August 2025, the Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

#### **General**

The Group continued to face a challenging economic environment during the first half of 2025. Although China's economy showed early signs of stabilization, weak domestic demand and sluggish real estate construction sector recovery continued to hinder growth. The PRC government's stimulus measures and real estate reforms, including loan programs and relaxed mortgage policies, yielded some positive results, but global challenges, including geopolitical tensions and reduced demand, further impacted the Group's core businesses.

To address these challenges, the Group adopted a prudent strategy, closely monitoring the business environment and the resource allocation to prioritize operations with strong cash flow potential. A low-margin approach was implemented to boost sales to remain competitive and improve inventory turnover to ensure liquidity. The Group also enforced a stringent credit policy, focusing on collecting overdue payments and limiting new credit risks. Additionally, the Group also cautiously scaled back its marble stone products business to align with weakened demand in real estate construction sectors.

These steps reflect the Group's commitment to financial discipline and resilience. By controlling costs, preserving liquidity, and adjusting operations to match market conditions, the Group aims to remain robust amid economic uncertainties. Management remains vigilant, ready to adapt as the business environment evolves, while actively exploring diversification opportunities in other sectors to enhance long-term stability and growth.

#### **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. During the Review Period, property developers in China continued to face severe liquidity constraints. Most developers focused on clearing unsold inventory through discounted sales, seeking refinancing, and negotiating debt restructuring rather than developing new projects. Under such circumstances, the management of the Group has been operating its business very cautiously during the Review Period. The Group recorded revenue of approximately RMB1.1 million from marble stone products during the Review Period, whereas the Group did not record any revenue in the corresponding period of last year. The weak recovery was mainly attributable to the 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.

Compared to the marble business, our marble downstream calcium carbonate business faced a relatively better market situation. By adapting a mild low-margin strategy to maintain its market share, the calcium carbonate business contributed an aggregate of approximately RMB28.5 million to the Group's revenue as compared to RMB26.9 million in the corresponding period of last year.

### **Rejections Of Mining License Renewal Application**

Guizhou County Dejiang SanXin Stone. Co., Ltd. ("**Guizhou Dejiang**"), a PRC subsidiary 100% owned by the Group, despite the grant of approval for the Group to make the renewal application ("**Application**") of the mining license of the Dejiang Mine to the Natural Resources and Planning Bureau of Dejiang County (the "**Bureau**") of Guizhou Province in December 2018, after the review process by the Bureau, we received a notification dated 29 December 2024 from the Bureau that the Bureau has decided to reject the Application. Therefore, Guizhou Dejiang has to write off the mining right of Dejiang Mine in 2024. Subsequently, the Group has resubmitted a renewal application for the mining license, which the Group has not received any negative feedback from the Bureau.

Regarding the Application, during the review process of the Application, the Group had submitted most of the required documents except for a comprehensive plan (the "**Plan**") for the protection and restoration of the geological environment associated with the mining operation as required under the guidelines of the Bureau and the payment of security deposit for the restoration of the geological environment impacted by the intended mining activities. Since the preparation of the Plan and the payment of security deposit required financial resources, after evaluating its financial position, the Group ultimately considered it to be in the interest of the Group to deprioritize the allocation of resources towards the Plan and withheld its submission. Instead, the Group decided it was in the best interest of the Group to dedicate resources towards the Yongfeng Mine which the Group believed had stronger potential to generate cash flow and return for the Group, and this strategic allocation was aimed to ensure the continued and sustainable operations of the Group.

It is the Group's understanding that the submission of the Plan and the payment of the security deposit shall continue to be conditions to the grant and issue of the renewal of the mining license, and the Group will continue to monitor the overall business environment and the resources of the Group and evaluate whether it is in the best interest of the Company to commit to satisfaction of such conditions.

### **Logistics and Warehouse Business**

In December 2019, the Group decided to abandon its logistics and warehouse 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 the Review period, the Group's revenue from logistics and warehouse segment amounted to approximately RMB1.2 million, representing 33.3% increase, as compared to approximately RMB0.9 million in the corresponding period in 2024. 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 (the Group has resubmitted a renewal application)
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 2025 under Chinese Standards.

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

The Group did not have exploration, development and production activities for Dejiang Mine during the Review Period (2024: Nil). Please refer to the section headed "Rejections Of Mining License Renewal Application" of this announcement for further information on the status of Dejiang Mine.

## 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 2025 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 2025 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 2025.

The estimated resources and reserves of Yongfeng Mine as of both 30 September 2013 (as disclosed in the Prospectus) and 30 June 2025 (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 2025 were identical.

The Group took exploration, development and production activities with a volume of approximately 92 cubic metres for Yongfeng Mine in the Review Period (2024: Nil).

## FINANCIAL REVIEW

### REVENUE

During the Review Period, the Group recorded an operating revenue of approximately RMB30.7 million, representing an increase of 10.4% or approximately RMB2.9 million compared to the corresponding period of the previous year. The sales of calcium carbonate products contributes 92.7% or approximately RMB28.5 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			
	2025		2024	
	(Unaudited)		(Unaudited)	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Marble stone products	<b>1,061</b>	<b>3.5</b>	–	–
Calcium carbonate products	<b>28,477</b>	<b>92.7</b>	26,856	96.6
Revenue from segment marble products	<b>29,538</b>	<b>96.2</b>	26,856	96.6
Logistics and warehousing services	<b>1,171</b>	<b>3.8</b>	949	3.4
Total	<b>30,709</b>	<b>100.0</b>	27,805	100.0

### COST OF SALES

In the Review Period, the Group's cost of sales amounted to approximately RMB22.9 million, including the cost of calcium carbonate products of RMB22.2 million, which represented approximately 96.9% 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 RMB7.8 million, increased by approximately RMB0.3 million as compared to that of corresponding period of 2024. The gross profit margin in the Review Period was approximately 25.4%, while the gross profit margin in corresponding period of 2024 was approximately 27.1%. The overall gross profit margin of the sales of the Group in the Review Period deteriorated slightly as compared to that of 2024 mainly attributable to the mild low-margin strategy adopted by the marble downstream calcium carbonate business to maintain its market share in the Review Period.

## **OTHER INCOME AND GAINS**

Other income and gains mainly attributable to the government subsidy of approximately RMB1.7 million (2024: RMB8.1 million of one-off gain accounting for waiver of loan principals and interests from loan restructuring).

## **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 RMB3.2 million, representing approximately 10.5% of the revenue in the Review Period, while the selling and distribution expenses of RMB3.8 million in the corresponding period in 2024 accounted for approximately 13.8% of the revenue in the corresponding period of 2024. The selling and distribution expenses in the Review Period were slightly decreased by approximately RMB0.6 million.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses amounted to approximately RMB21.5 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 69.8% of the revenue in the Review Period. The overall administrative expenses were RMB26.9 million in the corresponding period in 2024, accounting for approximately 96.9% of the revenue for the corresponding period in 2024. The overall administrative expenses in the Review Period were decreased by RMB5.7 million compared to that of the corresponding period in 2024. Such decrease was mainly due to the decrease in consultancy and professional fee incurred.

## **FINANCE COSTS**

Finance costs mainly included interests on bank loans and other borrowings. The finance costs increased by RMB1.0 million from RMB7.4 million in the corresponding period in 2024 to approximately RMB8.4 million mainly due to the increase in overall loan level during the Review Period.

## **EXPECTED CREDIT LOSSES**

In Review Period, the impairment losses on trade receivables was approximately RMB2.7 million. In the corresponding period of 2024, the impairment losses on trade receivables was RMB2.5 million. The increase in impairment losses on trade receivables by RMB0.2 million was mainly due to the persistently weak repayment ability of customers in the real estate construction sector and that the business environment has not shown significant recovery.

## **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 2025, the total number of full-time employees of the Group was 181 (as at 30 June 2024: 204). Total employee costs (including the directors' remunerations, but excluding equity-settled share option expense) amounted to approximately RMB9.1 million for the Review Period (for the six months ended 30 June 2024: approximately RMB7.6 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 RMB1.5 million in the Review Period. 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 RMB0.2 million for the six months ended 30 June 2025.

## **LOSS AND TOTAL COMPREHENSIVE LOSS 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 RMB26.9 million compared to net loss of RMB24.5 million for the corresponding period in 2024. The increase in net loss are mainly due to the net effect of (i) decrease in other income and gains due to a waiver of loan principals and interests from loan restructuring in 2024 which did not occur in 2025; (ii) increase in finance cost and (iii) decrease in administrative expenses during the Review Period.

## **NET CURRENT ASSETS**

As at 30 June 2025, the Group has net current assets of approximately RMB27.1 million (31 December 2024: the net current assets of the Group was approximately RMB25.4 million).

## **CURRENT RATIO**

The current ratio, being current assets over current liabilities, was 1.2 as at 30 June 2025 (31 December 2024: 1.2).

## **BORROWINGS**

As at 30 June 2025, the Group had total borrowings of approximately RMB244.8 million (31 December 2024: RMB225.5 million). During the Review Period, the net amount increased in borrowings is approximately RMB19.3 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 2025, the gearing ratio was approximately 41.3% (31 December 2024: approximately 34.9%).

## **CAPITAL STRUCTURE**

The Company has 1,185,094,625 ordinary shares in issue as at 30 June 2025.

There has been no change in the capital structure of the Group during the Review Period and up to the date of this announcement.

## **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 RMB1.2 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 2025, the Group had buildings of approximately RMB18.0 million (31 December 2024: RMB19.1 million) pledged as security for obtaining certain bank and other borrowings granted to the Group.

## **IMPORTANT EVENTS OCCURRED AFTER THE REVIEW PERIOD**

As of the date of this announcement, the Group has no material subsequent events after the end of the Review Period.

## **OUTLOOK**

Looking forward to the future, despite that the economy in the PRC is expected to recover moderately, there are still uncertainties and challenges, 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 seek out opportunities to monetise non-core assets to improve 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 complied with the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025 except for the following deviation.

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

## NON-COMPLIANCE WITH LISTING RULES

There was no non-compliance with Listing Rules during the Review Period ended 30 June 2025.

## **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 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 the 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 2025 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 2025 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**  
**Qiu Yuyuan**  
*Executive Director*

Hong Kong, 29 August 2025

*As at the date of this announcement, the executive Directors are Ms. Wu Jing, Mr. Tsai Yu Shen, Mr. Wan Jian and Mr. Qiu Yuyuan, 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.*