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雅高控股

ARTGO HOLDINGS

ARTGO HOLDINGS LIMITED

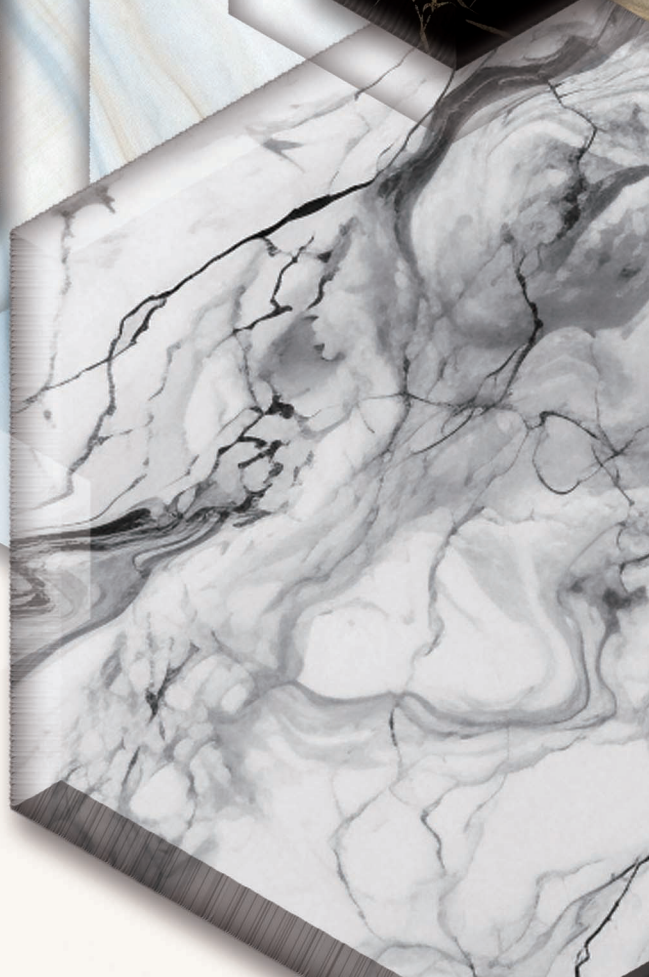
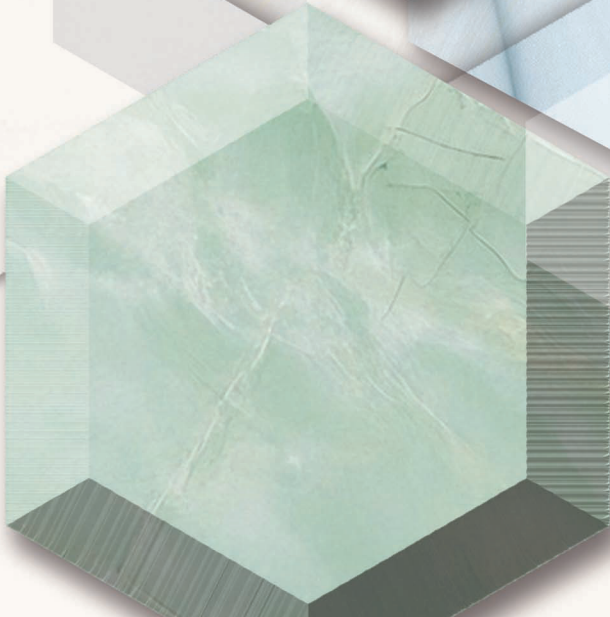
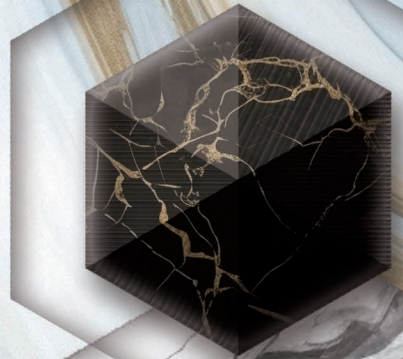
雅高控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 3313

2025

AUUNAL REPORT



Contents

2	Corporate Information
4	Chairman's Statement
5	Management Discussion and Analysis
14	Directors and Senior Management
18	Corporate Governance Report
28	Report of the Directors
41	Independent Auditor's Report
46	Consolidated Statement of Profit or Loss and Other Comprehensive Income
47	Consolidated Statement of Financial Position
49	Consolidated Statement of Changes in Equity
50	Consolidated Statement of Cash Flows
52	Notes to the Financial Statements
118	Summary of Financial Information

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. WU Jing

(Joint-Chairman and Acting Chief Executive Officer)

Mr. TSAI Yu Shen *(Joint-Chairman)*

Mr. WAN Jian

Mr. QIU Yuyuan

Non-executive Director

Mr. GU Zengcai

Independent Non-executive Directors

Ms. LUNG Yuet Kwan

Mr. HUI Yat On

Mr. ZHAI Feiquan

AUTHORISED REPRESENTATIVES

Mr. QIU Yuyuan

Mr. ZHAO Zhipeng

AUDIT COMMITTEE

Ms. LUNG Yuet Kwan *(Chairman)*

Mr. HUI Yat On

Mr. ZHAI Feiquan

REMUNERATION COMMITTEE

Mr. HUI Yat On *(Chairman)*

Ms. WU Jing

Mr. GU Zengcai

Ms. LUNG Yuet Kwan

NOMINATION COMMITTEE

Mr. HUI Yat On *(Chairman)*

Ms. WU Jing

Mr. ZHAI Feiquan

INVESTMENT COMMITTEE

Ms. WU Jing *(Chairman)*

Mr. GU Zengcai

Mr. HUI Yat On

COMPANY SECRETARY

Mr. ZHAO Zhipeng

REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room I, 13/F

No. 728 Yan'an West Road

Changning District

Shanghai, PRC

New Material Industrial Park

Teng Tian Town

Yongfeng County

Ji'an City

Jiangxi Province, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room C2, Office A, 14/F

Bangkok Bank Building

28 Des Voeux Road Central, Central,

Hong Kong

AUDITOR

Suya WWC CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China
Shanghai Changping Road Branch
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Jing'an District
Shanghai
PRC

Bank of Communications Co., Ltd.
Hong Kong Branch
No. 20 Peddar Street
Central
Hong Kong

STOCK CODE

3313

WEBSITE

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board") of ArtGo Holdings Limited (the "Company", together with its subsidiaries referred to as the "Group"), I am pleased to present to you the annual report of the Group for the year ended 31 December 2025 (the "Year").

The Year remained challenging amid a slow and uneven recovery of China's economy. Nonetheless, there were more visible signs of stabilisation as targeted policy measures supported consumption and investment. While developers remained cautious and focused on completing existing projects rather than initiating new ones, the improved market sentiment suggests the marble product industry may be approaching a turning point. Consequently, the marble products industry is believed to be positioning itself for a gradual recovery ahead.

During the Year, the Group achieved a consolidated revenue of approximately RMB73.8 million, compared with RMB71.6 million in 2024. The increase primarily reflected the mild recovery in the property sector and overall conservative market sentiment. The Group remained focused on maintaining operational stability, optimizing sales channels, and managing financial risk prudently.

In addressing these industry conditions, the Group continued to adopt a cautious and disciplined operating strategy. We maintained competitive pricing to drive sales, implemented strict credit controls and postponed major new investment activities in response to market uncertainty. We also exercised vigilant cost management to preserve cash flow and ensure stable operations in a still challenging market landscape.

To further strengthen our financial position, the Group successfully executed key capital management initiatives. On 24 December 2025, we placed 237,010,000 new shares at HK\$0.106 per share, generating net proceeds of approximately HK\$24.77 million. This placement improved liquidity and reduced indebtedness, further reinforcing our balance sheet resilience.

Looking ahead, despite emerging signs of a rebound, the macroeconomic environment and industry outlook remain uncertain that the marble sector is expected to continue adapting to slower property investment, rising environmental standards and shifting consumer preferences. The Group will remain focused on prudent operation and disciplined capital management. We will continue to explore business and investment opportunities with growth potential to unlock and release the intrinsic value of our quality marble and non-core assets with the goal of maximizing returns for our shareholders while preserving long-term growth potential.

Finally, on behalf of the Board, I would like to express my heartfelt appreciation to all our employees for their hard work and dedication, and to our shareholders, investors, business partners, and clients for their trust and continued support throughout the Year.

TSAI Yu Shen

Executive Director

Hong Kong, 30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

General

The year 2025 marked a gradual yet uneven transition for the Group as China's economy began to show more visible signs of recovery following a prolonged period of adjustment. Stabilisation measures introduced in 2025, including moderate monetary easing, selective property-sector support, and incremental infrastructure spending, all helped to restore confidence in certain downstream markets, though overall demand remained fragile. Against this backdrop, the Group maintained a disciplined operating approach, focusing on optimizing working capital, strengthening customer relationships, and improving cost efficiency across operations. While the business environment continued to pose challenges, selective improvement in industrial and regional markets provided considerable growth opportunities.

Marble Products Business

In 2025, the marble products business showed tentative recovery as part of the real estate and commercial renovation markets regained modest momentum, particularly in cities where government-supported projects resumed. Developers' liquidity remained tight but gradually improved through restructuring progress and partial access to new credit facilities. The Group's revenue from marble stone products increased to approximately RMB7.1 million, representing a growth of approximately 163.0% compared to RMB2.7 million in 2024. The rebound reflected both a low-based effect and the Group's strategic focus on low-margin projects. However, competition remained intense, and pricing pressure persisted throughout the year.

Apart from the marble stone business, our downstream marble-based calcium carbonate business remained the Group's principal earnings contributor in 2025. Revenue from this segment declined to approximately RMB64.6 million, representing a decrease of about 4.3% as compared with RMB67.5 million in 2024. Notwithstanding persistently elevated raw material and energy costs, the Group was able to maintain relatively stable profit margins through ongoing productivity enhancement and stringent cost control measures at its production facilities. Looking ahead, management remains cautiously optimistic that continued policy support for the manufacturing and construction sectors will underpin moderate growth prospects for this segment in 2026.

Rejection of Mining License Renewal Application

Guizhou County Dejiang SanXin Stone Co., Ltd. ("Guizhou Dejiang"), a PRC subsidiary 100% owned by the Group, received a notification dated 29 December 2024 from the Natural Resources and Planning Bureau of Dejiang County ("Dejiang Natural Resources Bureau") in Guizhou Province that Dejiang Natural Resources Bureau has decided to reject the application for the renewal of mining license of the mine held by Guizhou Dejiang ("Dejiang Mine"). Therefore, Guizhou Dejiang has to write off the mining right of Dejiang Mine, resulting in a loss of approximately RMB234.1 million in 2024. In response, the management of Guizhou Dejiang has resubmitted the renewal application for the mining license of Dejiang Mine. Subsequently, the management of Guizhou Dejiang continued to follow up on the renewal status. However, as at the date of this Annual Report, the renewal application remains pending and the management of Guizhou Dejiang has not received any affirmative feedback in this regard. Taking into consideration the commercial feasibility of the renewal, the Group has determined that it is in the best interest of the Group not to commit additional resources in pursuing the renewal of the mining license of Dejiang Mine (details are set out in the Company's announcement dated 21 January 2026).

MANAGEMENT DISCUSSION AND ANALYSIS

Warehouse Logistics Business

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

In 2025, the Group's revenue from warehouse logistics segment amounted to approximately RMB2.0 million, representing a approximately 42.9% increase, as compared to approximately RMB1.4 million 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.

FINANCIAL REVIEW

Revenue

In 2025, the Group recorded an operating revenue of approximately RMB73.8 million (2024: RMB71.6 million), representing an increase of approximately RMB2.2 million (or approximately 3.1%) compared to that of 2024. The sales of marble stone products contributed approximately 9.7% or approximately RMB7.1 million (2024: 3.8% or RMB2.7 million) to the Group's total revenue, while the sales of calcium carbonate products contributed approximately 87.6% or approximately RMB64.6 million (2024: 94.2% or RMB67.5 million) to the Group's total revenue.

The increase in revenue was primarily due to a recovery in marble stone products sales driven by the gradual revival in the real estate construction sector, partially offset by a modest decrease in calcium carbonate products sales as the Group maintained market share with a low-margin strategy.

Sales by Product Categories

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

	2025		2024	
	RMB'000	Approximate percentage (%)	RMB'000	Approximate percentage (%)
Marble stone products	7,120	9.7	2,744	3.8
Calcium carbonate products	64,630	87.6	67,462	94.2
Revenue from segment of marble products	71,750	97.3	70,206	98.0
Warehouse logistics	2,008	2.7	1,390	2.0
Total	73,758	100.0	71,596	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

For the year ended 31 December 2025, the Group's total cost of sales amounted to approximately RMB61.5 million (2024: RMB60.4 million), including the cost relating to marble products of approximately RMB60.1 million and the cost relating to warehouse logistics of approximately RMB1.4 million which represented approximately 97.7%, and 2.3% of the total cost of sales respectively. The proportion of the costs of marble products and warehouse logistics was in line with the proportion of their respective revenue contributions (to a large extent). The increase of approximately RMB1.1 million in cost of sales was mainly attributable to the increase in production and sales volumes of marble stone products, reflecting the recovery of demand, while warehouse logistics costs remained relatively stable.

GROSS PROFIT AND GROSS PROFIT MARGIN

During 2025, the Group realised a gross profit of approximately RMB12.2 million (2024: RMB11.2 million). The overall gross profit margin in 2025 was approximately 16.6%, compared to approximately 15.7% in 2024. The Group has been taking a low-margin strategy since 2022 to cope with the very weak market conditions due to economic downturn in China, particularly the real estate construction sector. Such low-margin strategy is expected to be maintained in the foreseeable future until the market conditions improve to the point where the Group can regain pricing power.

OTHER INCOME AND GAINS

Other income and gains decreased to approximately RMB4.6 million in 2025 (2024: RMB9.9 million), mainly attributable to the net effect of an one-off income from the waiver of loan principals and interest from loan restructuring in 2024 and the recognition of government grants from digital transformation policy subsidies and refunds of value-added tax in 2025.

OTHER EXPENSES

Other expenses, mainly comprised of depreciation of investment properties, penalties and other non-operating losses, were approximately RMB8.7 million in 2025 (2024: RMB0.8 million). The increase of approximately RMB7.9 million was mainly attributable to the recognition of a one-off modification loss on contracts in 2025 (2024: nil).

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses, mainly comprised of salaries of the Group's selling and distribution staff, travelling expenses, and advertising costs, were approximately RMB0.6 million (2024: RMB0.8 million), representing approximately 0.8% of the Group's total revenue in 2025, compared to 1.1% in 2024. The decrease of approximately RMB0.2 million was due to better cost control measures through digitalisation in 2025.

ADMINISTRATIVE EXPENSES

Administrative expenses, mainly consisted of salaries of administrative staff, consultancy fees and depreciation expense, were approximately RMB43.7 million (2024: RMB45.5 million). Administrative expenses decreased by approximately RMB1.8 million or 4.0% mainly due to the cost control measures through digitalisation.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPECTED CREDIT LOSSES ON RECEIVABLES

The expected credit losses on receivables, which comprised of expected credit losses on trade receivables and prepayments and other receivables, amounted to approximately RMB8.0 million in 2025, compared to approximately RMB7.0 million in 2024. The increase was attributable to an adverse change in internal risk assessments, taking account of various factors including but not limited to, customer credit rating and the ageing profile of receivables.

WRITTEN-OFF OF MINING RIGHTS

There were no written-off of mining rights in 2025 (2024: written-off of mining rights amounted to approximately RMB234.1 million, attributable to the rejection of the mining license renewal application for Dejiang Mine).

OTHER IMPAIRMENT LOSSES

The impairment losses on property, plant and equipment amounted to approximately RMB16.2 million in 2025 (2024: nil), attributable to the impairment of construction in progress associated with projects that experienced prolonged delays in construction.

FINANCE COSTS

Finance costs, mainly included interests on other borrowings, interests on bank loans, interests on lease liabilities and related interests of rehabilitation, were approximately RMB18.3 million (2024: RMB16.2 million). Finance costs increased by approximately RMB2.1 million as compared to that of 2024, which was mainly due to an increase in the Group's interest-bearing debt levels.

INCOME TAX EXPENSE

Income tax expense increased by approximately RMB0.6 million, from approximately RMB0.2 million for the year ended 31 December 2024 to approximately RMB0.8 million for the Year. The increase was primarily due to the increase of taxable income in 2025.

LOSS AND TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The net loss and total comprehensive loss attributable to owners of the Company during the Year amounted to approximately RMB81.8 million (2024: RMB285.2 million), representing a decrease in loss of approximately RMB203.4 million. The decrease was primarily due to the absence of loss on written-off of mining rights of approximately RMB234.1 million in 2024, and the recognition of impairment losses on property, plant and equipment of approximately RMB16.2 million in 2025.

INVENTORIES

The Group's inventories increased by approximately 13.1%, from approximately RMB23.6 million as at 31 December 2024 to approximately RMB26.7 million as at 31 December 2025. The increase of approximately RMB3.1 million was mainly due to slower inventory turnover.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADE RECEIVABLES

The Group's trade receivables increased from approximately RMB19.1 million as at 31 December 2024 to approximately RMB24.3 million as at 31 December 2025. The increase of approximately RMB5.2 million was primarily due to the increase in sales and slower receivable turnover.

TRADE PAYABLES

The Group's trade payables decreased from approximately RMB23.3 million as at 31 December 2024 to approximately RMB17.9 million as at 31 December 2025. The decrease of approximately RMB5.4 million was primarily due to the accelerated settlement of outstanding supplier balance during the year.

NET CURRENT ASSETS

Net current assets of the Group decreased from approximately RMB25.4 million as at 31 December 2024 by approximately 59.1% to approximately RMB10.4 million as at 31 December 2025, which was primarily due to the net effect of the increase in short term borrowings of approximately RMB17.1 million and the decrease in prepayments, deposits and other receivables of approximately RMB24.8 million and the decrease of other payables and accruals of approximately RMB14.3 million.

CURRENT RATIO

The current ratio, being current assets divided by current liabilities, was approximately 1.1 as at 31 December 2025 (2024: 1.2).

BORROWINGS

As at 31 December 2025, the Group had total bank and other borrowings of approximately RMB247.9 million (2024: RMB225.5 million). The increase of approximately RMB22.4 million was attributable to the net effect of the new borrowings raised to facilitate operation amid the improved market sentiment and the repayments facilitated by fundraising activities.

GEARING RATIO

The Group's gearing ratio equals to its net debt (total debts net of cash and bank balances) divided by total equity. Total debt is defined as interest-bearing bank and other borrowings, and it excludes liabilities incurred for working capital purposes. As at 31 December 2025, the gearing ratio was approximately 43.8% (2024: 34.9%).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

Placing of 237,010,000 new shares on 24 December 2025

On 24 December 2025, the Company has successfully placed a total of 237,010,000 new shares to not less than six independent placees at HK\$0.106 per placing share (the “Placing”). The placing price of HK\$0.106 per placing share represents a discount of approximately 19.70% to the closing price of HK\$0.132 per share as quoted on the Stock Exchange on the date of the placing agreement and a discount of approximately 19.58% to the average closing price of HK\$0.1318 per share in the last five trading days immediately prior to the date of the placing agreement. The Placing was conducted with a view to, inter alia, strengthen the financial position of the Group and provide additional working capital to the Group to meet any future development and obligations. The net proceeds from the Placing, after deducting commission paid to the placing agent and other expenses incidental to the Placing, are approximately HK\$24.77 million. The net price per placing share is approximately HK\$0.1045. Particulars of this event was set out in the Company’s announcements dated 5 December 2025 and 24 December 2025.

USE OF PROCEEDS

As disclosed in the Company’s announcement dated 5 December 2025 and 24 December 2025, it is expected that the net proceeds from the Placing would be utilised (i) as to approximately HK\$3.0 million for general working capital of the Group; and (ii) as to approximately HK\$21.77 million for repayment of Group’s current debts and interests.

The followings are the utilizations of the net proceeds from the Placing from its completion on 24 December 2025 up to 31 December 2025:

	Planned use of net proceeds HK\$'million	Utilized as at 31 December 2025 HK\$'million	Unutilized as at 31 December 2025 HK\$'million
Intended use			
Repayment of current debts and interest	21.77	21.40	0.37
General working capital	3.00	0.99	2.01
	24.77	22.39	2.38*

* The remaining unutilized balance of the net proceeds is expected to be fully utilised by 31 December 2026.

CAPITAL EXPENDITURE

The Group’s ability to maintain and increase its sales and profits depends upon continued capital spending. Capital expenditures are used to purchase mining rights, land, property, plant and equipment. In 2025, the Group’s expenditure for purchase of property, plant and equipment aggregated to approximately RMB3.2 million (2024: RMB8.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE EXPOSURE

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

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

HUMAN RESOURCES AND REMUNERATION POLICY

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

As at 31 December 2025, the total number of full-time employees of the Group was 168 (2024: 172). Employee costs (including the Directors' remunerations) totally amounted to approximately RMB14.6 million for 2025 (2024: RMB16.4 million). Meanwhile, taking into account the strategic goal of the Group, operating results, efforts and contributions made by each of our executive Directors, senior management and employees, and for the purposes of recognizing their value, motivating for better performance and skills, maintaining the Company's fast-growing development and achieving its long and short-term goals, the remunerations are in line with the market performance and their qualifications and abilities, and makes adjustment according to varied percentage. The Group determined the remuneration packages of all employees including the Directors with reference to individual performance and current market salary scale.

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

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

Board performance review

The Company conducts a formal evaluation of the Board's performance and effectiveness every two years. The objective of a board performance review is to measure the accountability, transparency and effectiveness of the Board, ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures.

The results of the evaluation are reviewed by the Nomination Committee and subsequently presented to the Board for discussion.

A Board performance review was scheduled for the year ended 31 December 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As at 31 December 2025, the Group had buildings of approximately RMB18.7 million (2024: RMB19.1 million) pledged as security for obtaining certain bank and other borrowings granted to the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group had capital commitments for acquisition of property, plant and equipment, which were contracted but not provided for in the consolidated financial statements of approximately RMB0.9 million (2024: nil). As at 31 December 2025, the Group had no material contingent liabilities (2024: nil).

IMPORTANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

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

RESOURCES AND RESERVES

Yongfeng Mine

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESOURCES AND RESERVES (Continued)

Yongfeng Mine (Continued)

The following table summarizes the marble resources and reserves of our Yongfeng Mine, estimated as of 31 December 2025 under the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

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

RESERVES	Millions of cubic meters
Proved	23.0
Probable	21.0
Total	44.0

The estimated resources and reserves of the Yongfeng Mine as of 31 December 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 normal and routine mining activities carried out during the period from 1 October 2013 to 31 December 2025.

The estimated resources and reserves of Yongfeng Mine as of both 30 September 2013 (as disclosed in the Prospectus) and 31 December 2025 (as disclosed in this annual report) were based on the resources and reserves under the JORC Code, i.e. there was no change in the reporting standard used in arriving at these estimates on the respective dates. The methods used to estimate mineral resources and the parameters used for the estimated resources and reserves of the Company as of 30 September 2013 and 31 December 2025 were identical.

The Group took exploration, development and production activities with a volume of approximately 658.7 cubic metres for Yongfeng Mine in 2025 (2024: approximately 700.3 cubic metres).

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

As at the date of this report, the Board consisted of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. The table below sets forth information regarding our Board.

Name	Age	Management Position
Ms. WU Jing	40	Executive Director, Joint-Chairman and Acting Chief Executive Officer
Mr. Tsai Yu Shen	41	Executive Director and Joint-Chairman
Mr. WAN Jian	49	Executive Director
Mr. QIU Yuyuan	48	Executive Director
Mr. GU Zengcai	63	Non-Executive Director
Ms. LUNG Yuet Kwan	59	Independent non-Executive Director
Mr. HUI Yat On	66	Independent non-Executive Director
Mr. ZHAI Feiquan	46	Independent non-Executive Director

EXECUTIVE DIRECTORS

Ms. WU Jing (伍晶), aged 40, has been appointed as the executive Director on 9 March 2016 and is currently the Acting Chief Executive Officer of the Company. Ms. Wu has been re-designated as Joint-Chairman of the Board with effect from 30 September 2024. Ms. Wu is also responsible for promotion and marketing affairs of the Company. Ms. Wu has more than 10 years' experience in corporate brand management. In 2010, Ms. Wu founded a management consulting firm, which provided consultancy services in relation to brand promotion, sales and public relations to the local and overseas organizations and corporations since February 2010, including but not limited to Information Services Department of The Government of the Hong Kong Special Administrative Region of the People's Republic of China, Hong Kong Tourism Board, Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, DTZ Holdings PLC, Sinopec (Hong Kong) Limited, Suning Commerce Group Co., Ltd., Powerchina Resources Ltd.. In June 2008, Ms. Wu obtained her bachelor degree in biological technology from Wuhan University. She then obtained her master of science degree in environmental engineering from the Hong Kong University of Science and Technology and her master degree in industrial engineering and logistics management from the University of Hong Kong in November 2009 and November 2010, respectively. In 2015, she was awarded the "Ten Outstanding New Hong Kong Young Persons (十大傑出新香港青年)". She is currently the standing director of Jiangsu Women Association* (江蘇聯會婦女會) and the director of Jiangsu Youth Association* (江蘇青年總會). As of the date of this annual report, save as disclosed above, Ms. Wu did not hold directorship in any listed companies in the past three years.

Mr. TSAI Yu Shen (蔡又申), aged 41, has been appointed as the executive Director and Joint-Chairman of the Board on 30 September 2024. Mr. Tsai has extensive experience in financial management, investment and capital markets. Mr. Tsai holds a Master of Science degree and is a Certified Public Accountant in the United States. Mr. Tsai joined Saili Precision Limited* (賽利精密有限公司) in 2012 and has held various management positions since joining the company and currently serves as the company's general manager. Save as disclosed above, Mr. Tsai did not hold any directorship in any listed companies in the past three years.

Mr. WAN Jian (萬堅), aged 49, has been appointed as the executive Director on 15 January 2021. Mr. Wan has extensive experience in the construction industry particularly in the construction material field. He was also familiar with stone products processing and their related application on construction projects. Mr. Wan does not hold any other position with the Company and/or other members of the Company and its subsidiaries. Save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed public companies in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS (Continued)

Mr. QIU Yuyuan (邱宇元), aged 48, has been appointed as the executive Director on 13 May 2025. Mr. Qiu obtained a bachelor's degree in accounting from Jimei University (集美大學) in 2000 and was qualified as a National Intermediate Accountant (中級會計師) in the PRC in 2005. In 2009, Mr. Qiu was qualified as a Credit Manager (信用管理師) in the PRC. Mr. Qiu has over 15 years of experience in accounting, financial management and credit management. Prior to joining the Group in September 2011, he has held various management positions in Xiamen Overseas Chinese Electronic Co., Ltd., Xiamen Tsann Kuen Corporation Limited, and Lenovo Mobile Communication Technology Limited from August 2000 to February 2005, from March 2005 to March 2006, and from March 2006 to April 2010, respectively, and was in charge of financial auditing, business process reengineering, credit management and financial analysis in those companies. From March 2011 to January 2017, Mr. Qiu served as the deputy general manager of various subsidiaries of the Group. Currently, Mr. Qiu is in charge of the Group's financial planning, financial budget and management issues. Save as disclosed above, Mr. Qiu did not hold any directorship in any listed companies in the past three years.

NON-EXECUTIVE DIRECTOR

Mr. GU Zengcai (顧增才), aged 63, was appointed as a non-executive director of the Company on 8 June 2016. He graduated from the Industrial Accounting Department of Jiangsu Radio and Television University in 1986, holding a college degree, and is a Certified Public Accountant and auditor in China. Mr. Gu previously served as deputy section chief and section chief of the finance department at Yancheng Printing and Dyeing Factory in Jiangsu Province; as head of the audit department and manager of the finance department at Zhuhai Port Co., Ltd. (stock code: 000507.SZ), a company listed on the A-share market; and as director of Zhuhai Huayin Urban Credit Cooperative. At Zhuhai Huarun Bank Co., Ltd. (formerly known as Zhuhai City Commercial Bank), he held positions including branch president and assistant to the president of the Head Office, during which he concurrently served as general manager of the head office's planning and funding department, general manager of the finance and accounting department, director of the policy research center, and general manager of the credit management department. Additionally, Mr. Gu served as chief accountant and deputy general manager of Zhuhai Jiuzhou Holdings Group Co., Ltd., and as an executive director and Vice Chairman of the Board of Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Co., Ltd.) (stock code: 00908.HK), a company listed on the Hong Kong Stock Exchange, from October 2003 to August 2012. He also previously served as an independent director of GCL System Integration Technology Co., Ltd. (stock code: 002506.SZ), an A-share listed company.

Currently, Mr. Gu serves as an executive director of Shanghai Hengfu Sanchuan Equity Investment Co., Ltd., vice president of GCL Group Co., Ltd., an executive director of GCL New Energy Holdings Ltd. (stock code: 00451.HK), a director of GCL Energy Technology Co., Ltd. (stock code: 002015.SZ), and an independent director of Shenzhen Jianyi Decoration Group Co., Ltd (stock code: 002789.SZ). Save as disclosed above, Mr. Gu has not held any directorships in other listed companies in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. LUNG Yuet Kwan (龍月群), aged 59, has been appointed as independent non-executive Director of the Company on 1 June 2017. Ms. Lung has over 20 years of professional experience in auditing, accounting and financial management for both private and listed corporations. Ms. Lung joined as executive vice president of the finance department of China Changbaishan International Holdings Limited (formerly known as “Hua Yin International Holdings Limited”, a company listed on the Stock Exchange with stock code 0989) since December 2005 and acted as the chief financial officer, company secretary and the authorised representative of Ground International Development Limited for the period from November 2013 to February 2016. Ms. Lung holds a bachelor degree in business from Monash University, Australia. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Save as disclosed above, Ms. Lung did not hold any directorship in the past 3 years in any listed companies.

Mr. HUI Yat On (許一安), aged 66, has been appointed as independent non-executive Director of the Company on 8 June 2016. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor degree in business administration in December 1982. In November 2004, Mr. Hui obtained a master degree in professional accounting from Hong Kong Polytechnic University. Mr. Hui has become a member of the Hong Kong Institute of Certified Public Accountants in December 1986. He is also a member of the Hong Kong Chiu Chow Chamber of Commerce. Mr. Hui has previously served as the executive director and senior executive of several Hong Kong listed companies. He was appointed as an independent non-executive director of Enterprise Development Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 1808, from 11 January 2021 to 20 September 2021. He was appointed as an independent non-executive director of Long Investment Corp (formerly known as “China Financial Leasing Group Limited”), a company listed on the Main Board of the Stock Exchange with stock code 2312 from 10 June 2021 to 5 September 2025. Mr. Hui has more than three decades of experiences in the field of corporate finance and financial services. Mr. Hui is also a founding member of the Hong Kong Financial Advisors Association and the Hong Kong Environmental, Social, and Governance Strategists Association. Save as disclosed above, Mr. Hui did not hold any directorship in the past 3 years in any other listed companies.

Mr. ZHAI Feiquan (翟飛全), aged 46, has been appointed as independent non-executive Director of the Company on 20 July 2020. Mr. Zhai holds a bachelor’s degree in marketing from Guangxi University. Mr. Zhai has more than 20 years’ experience in stone products sales and export as well as mines operations and processing of marble stone. He has rich experience in marketing and brands building of a variety of marble stones. Mr. Zhai does not hold any other position with the Company and/or other members of the Company and its subsidiaries. Save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed public companies in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. ZHANG Jiyao (張繼燕), aged 54, is currently the deputy manager of the technology and quality research department and the deputy chief of the building preparatory group for the stone processing plant of the Company, where he is responsible for supervising mining and stone processing, as well as identifying processing contractors and coordinating the specific preparatory efforts for building the Company's own stone processing plant. He has more than 20 years of experience in marble processing and quality control and before joining the Company, he worked for various marble processing and trading companies including, among others, Xiamen Yongwen Stone Materials Factory* (廈門市永文石材廠), Baodeli Stone Materials Factory* (廈門市開元區包德力石板材廠), Fujian Shuitou Shijing Yongxing Stone Materials Factory* (福建水頭石井永興石材廠) (now known as Fuji an Quanzhou Huayi Stone Materials Limited* (福建省泉州市華益石材有限公司) and Zhangzhou Riquan Inspection Centre* (漳州日泉檢品中心), a subsidiary of Xiamen Riquan Trading Company* (廈門日泉貿易公司). During which, Mr. Zhang obtained experience in coordinating and guiding exploration and mining, which has enabled him to communicate and work effectively with the senior managers at the mines. He had also been involved in the development of a series of professional guidelines including raw material quality standards and slab quality standards, whereby the quality of the raw materials from mines, which are required at the processing stage, is strictly under control to ensure the best cutting quality from such raw materials for the purpose of an optimal production-sales relationship and a maximized use of stone resources. Mr. Zhang joined the Company in August 2011 when he was involved in the total management, operations and product quality control at the then newly acquired Yongfeng Mine. Subsequently, he acted as a key executive in charge of production and sales coordination and quality control, during which, he equipped with his professional competence in manufacturing processes and technologies and in both the national and the international quality control standards, closely supervised, guided and, on a continuing basis, improved the exploration, extraction and production process of contractors from the perspective of marketability, customer satisfaction and technical application. Mr. Zhang has administered stringent control over the quality of raw materials, semi-finished goods and final products of the Company having regard to market demand and product positioning. At the same time, Mr. Zhang formulates strategies and optimal improvement plans in line with market demand and in doing so, he has produced good results from the coordination efforts in production and sales.

Mr. JIANG Shikui (蔣世奎), aged 45, is currently the Chief Operation Officer of the Company. Mr. Jiang joined the Group in 2016 and he has over 10 years of experience in stone industry, including the field of mining processing, production management, quality control, technology development, market development and marketing management.

Upon specific enquiring by the Company and following confirmations from Directors. Save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange ("Listing Rules") since the Company's last interim report.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

There have been no changes in the Directors' information required to be disclosed under Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2025 interim report.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

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

The Company has complied with the code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025 (the “Year”), except for the following deviation.

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

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

The Company will continuously seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of chief executive officer of the Company in due course.

The corporate value of the Company is acting in lawful, ethical and responsible manner. All Directors act with integrity and promote the culture of integrity. Such culture instils and continually reinforces across the corporate values. The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance operations.

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. Having made specific enquiry with all Directors of the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code for the Year.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

As at 31 December 2025, the Board comprised eight members, consisting of four executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors:

Ms. Wu Jing (*Joint-Chairman, Acting Chief Executive Officer, Chairman of the Investment Committee and member of the Nomination Committee and the Remuneration Committee*)

Mr. Tsai Yu Shen (*Joint-Chairman*)

Mr. Wan Jian

Mr. Qiu Yuyuan

Mr. Qiu Yuyuan, who was appointed as executive Director on 13 May 2025, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 13 May 2025, and has confirmed that he understood his obligations as a director of the Company.

Non-executive Director:

Mr. Gu Zengcai (*member of the Remuneration Committee and the Investment Committee*)

Independent non-executive Directors:

Ms. Lung Yuet Kwan (*Chairman of the Audit Committee and member of the Remuneration Committee*)

Mr. Hui Yat On (*Chairman of the Nomination Committee and the Remuneration Committee and member of the Audit Committee and the Investment Committee*)

Mr. Zhai Feiquan (*member of the Audit Committee and the Nomination Committee*)

The Board members have no financial, business, family or other material/relevant relationships with each other to ensure strong independence exists across the Board. All directors, including non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The biographical information of the Directors is set out on pages 14 to 16 of this annual report.

During the Year, the Board at all times met the requirements of the Listing Rules 3.10(1) and (2), and 3.10A relating to the appointment of at least three independent non-executive directors, representing at least one-third of the Board, with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into a service contract/letter of appointment with the Company, and is subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the articles of association of the Company.

The articles of association of the Company provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company, overseeing the Group's businesses, strategic decisions and performance. The Board is collectively responsible for promoting the success of the Company by directing and supervising its affairs, and making decisions objectively in the interests of the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the day-to-day management of the Company are delegated to the Company's management team.

The Directors are ensured to have timely access to the information of the Company as well as the services and advice from the company secretary (the "Company Secretary") and senior management ("Senior Management") of the Company. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

CONTINUOUS TRAINING AND DEVELOPMENT FOR DIRECTORS

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities and legal obligations of a director of a Hong Kong listed company, the Company's constitutional documents and the Guides on Directors' Duties issued by the Companies Registry to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, and the legal advisers of the Company prepare and provide the Directors with detailed interpretations and analysis on the revised contents for them to understand the latest developments in a timely and accurate manner and to perform their duties in accordance with relevant laws and regulatory requirements.

During the Year, all Directors were provided with regular updates on the Group's business and operations. The Company has arranged to update the Directors on the amendments on the Listing Rules and guidelines on disclosure of insider information and connected transactions.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy whereby it recognizes and embraces the benefits of a diversity of Board members. The board diversity policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, numbers of measurable aspects including gender, age, cultural and educational background, length of services, skills knowledge and professional experience have been considered. All appointments of members of the Board are made on merit, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board.

The Board and its nomination committee have set and will continue to consider setting measurable objectives to implement the board diversity policy, and they will review the board diversity policy and measurable objectives from time to time to ensure their appropriateness and continued effectiveness.

During the Year and as at the date of this annual report, the Board is characterized by significant diversity, whether considered in terms of gender, age, educational background, professional experience, skills knowledge and length of service.

The Board's composition as at the date of this report under diversified perspectives is summarised as follows:

Education background (highest level)	Postgraduate degree 3 Directors; Bachelor 3 Directors; Other 2 Directors
Designation	4 executive Directors, 3 INEDs, 1 NED
Gender	6 male Directors vs 2 female Directors
Age group (years old)	2 (between 31 and 40); 3 (between 41 and 50); 1 (between 51 and 60); 2 (between 61 and 70)
Directorship with the Company (years of service)	2 Directors (less than 5 years), 5 Directors (5 to 10 years), 1 Director (over 10 years)

CORPORATE GOVERNANCE REPORT

NON-EXECUTIVE DIRECTOR

Each of the non-executive Directors (including independent non-executive Directors) has entered into a letter of appointment with the Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other. They are subject to retirement by rotation at the annual general meeting pursuant to the articles of association of the Company and the CG Code.

BOARD COMMITTEES AND CORPORATE GOVERNANCE FUNCTIONS

The Board has established four committees, namely, the audit committee, remuneration committee, nomination committee and investment committee, to oversee particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Company established the audit committee (the "Audit Committee") on 9 December 2013 with written terms of reference in compliance with the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the Year, the Audit Committee comprises three independent non-executive Directors, namely Ms. Lung Yuet Kwan, Mr. Zhai Feiquan and Mr. Hui Yat On. Ms. Lung Yuet Kwan has been appointed as the chairman of the Audit Committee since 1 June 2017.

A whistleblowing policy was established to achieve the highest possible standards of openness and accountability, and for employees, customers, suppliers and other stakeholders of the Company to raise concerns of any suspected misconduct or malpractice within the Company. Proper procedures were in place for investigation of any reported cases. The Audit Committee will review the final report and make recommendations to the Board and will review and monitor the effectiveness of this whistleblowing policy from time to time.

The Group has zero tolerance for corruption or any conduct that goes against its interests. It implements a range of measures in line with relevant laws and regulations on anti-corruption and anti-bribery. All employees must avoid conflicts of interest by refraining from any illegal financial or other unlawful activities, and are required to report any situations that may involve a direct or indirect conflict of interest with the Group.

CORPORATE GOVERNANCE REPORT

Audit Committee (Continued)

The Audit Committee has in conjunction with 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 audited consolidated financial statements of the Group for the year ended 31 December 2025 and the auditor's report thereon.

Remuneration Committee

The Company established the remuneration committee (the "Remuneration Committee") on 9 December 2013 with written terms of reference in compliance with the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration policy and structure for all Directors and senior management and on the establishment of formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee comprises one executive Director, Ms. Wu Jing, one non-executive Director, Mr. Gu Zengcai, and two independent non-executive Directors, Ms. Lung Yuet Kwan and Mr. Hui Yat On. Mr. Hui Yat On has been appointed as the chairman of the Remuneration Committee.

The Remuneration Committee shall report to the Board after each meeting of the Remuneration Committee.

Nomination Committee

The Company established the nomination committee (the "Nomination Committee") on 9 December 2013 with written terms of reference in compliance with the CG Code. The principal duties of the Nomination Committee include reviewing the Board structure, size and composition, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

During the Year, the Nomination Committee comprises one executive Director, Ms. Wu Jing and two independent non-executive Directors, Mr. Zhai Feiquan and Mr. Hui Yat On. Mr. Hui Yat On has been appointed as the chairman of the Nomination Committee. During the Year, Mr. Gu Zengcai, a non-executive Director, has ceased to be a member of the nomination committee of the Company with effect from 30 June 2025.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. The Nomination Committee shall report to the Board after each meeting of the Nomination Committee. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

CORPORATE GOVERNANCE REPORT

Investment Committee

The Company established the investment committee (the "Investment Committee") on 19 September 2019 with written terms of reference. The primary functions of the Investment Committee include reviewing, evaluating investment projects for long-term development of the Group and making recommendations to the Board on the major investments and financing solutions and other significant investment matters which may have effect on the development of the Group. It also supervises the implementation of the above-mentioned matters duly approved by the Board.

The Investment Committee comprises one executive Director, Ms. Wu Jing, one non-executive director, Mr. Gu Zengcai, and an independent non-executive Director, Mr. Hui Yat On. Ms. Wu Jing has been appointed as the chairman of the Investment Committee. The Investment Committee shall report to the Board after each meeting of the Investment Committee.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2025 is set out in the table below:

	Attendance/Number of Meetings					Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	
Executive Directors						
Ms. WU Jing	5/5	N/A	1/1	1/1	1/1	1/1
Mr. TSAI Yu Shen	5/5	N/A	N/A	N/A	N/A	1/1
Mr. WAN Jian	3/5	N/A	N/A	N/A	N/A	0/1
Mr. QIU Yuyuan	2/2	N/A	N/A	N/A	N/A	1/1
Non-executive Director						
Mr. GU Zengcai	4/5	N/A	1/1	1/1	1/1	1/1
Independent non-executive Directors						
Ms. LUNG Yuet Kwan	5/5	2/2	1/1	N/A	N/A	1/1
Mr. HUI Yat On	5/5	2/2	1/1	1/1	1/1	1/1
Mr. ZHAI Feiquan	5/5	2/2	N/A	1/1	N/A	1/1

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Company's Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 41 to 45.

AUDITORS' REMUNERATION

Suya WWC CPA Limited ("Suya WWC") were engaged as the external auditors of the Company for the annual audit of the Year.

During the Year, the total fees paid/payable in respect of audit services provided by Suyu WWC were approximately RMB1,000,000, and non-audit service fees of approximately RMB92,000 was incurred for the Year.

COMPANY SECRETARY

The company secretary of the Company is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed.

During the Year, Mr. Zhao undertook the relevant professional trainings as required under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual Directors. All resolutions put forward at shareholder meetings of the Company will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting of the Company.

Convening an Extraordinary General Meeting by Shareholders and Putting Forward Proposals at General Meetings

- Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting ("EGM") to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.
- Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong, for the attention of the company secretary.

CORPORATE GOVERNANCE REPORT

Convening an Extraordinary General Meeting by Shareholders and Putting Forward Proposals at General Meetings (Continued)

- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included, the details of the business(es) proposed to be transacted in the EGM, signed by the Eligible Shareholder(s) concerned.
- The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholders will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the joint company secretaries will ask the Board to convene an EGM within 2 months and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM.
- If within 21 days of the deposit of the Requisition the Board has not advised the Eligible Shareholder(s) of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Memorandum and Articles of Association of the Company, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Shareholders may send their enquiries as mentioned above to the following:

Address: Room I, 13/F
No. 728 Yan'an West Road
Changning District
Shanghai, PRC
(For the attention of the Board of Directors)

Fax: + 86 021 68870050

Email: ir@artgo.cn

CONSTITUTIONAL DOCUMENTS

During the Year, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining a sound and effective system of internal controls to safeguard the Group's assets and shareholders' interests, mitigate operational risks, and ensure proper governance. The Board, with the assistance of the Audit Committee, conducts regular reviews to monitor the effectiveness of the Group's risk management and internal control systems, ensuring their continued adequacy.

To enhance the independence and objectivity of the internal audit function, the Group has engaged an external professional to perform internal audit duties. The internal audit function operates independently from the Group's daily operations and conducts appraisals of the risk management and internal control systems through interviews, walk-throughs, and tests of operating effectiveness. The internal audit plan, approved by the Board, follows a rotational approach to review key risk areas annually, with findings and recommendations reported to the Board through the Audit Committee.

The Company has established comprehensive internal control frameworks applicable to all operating units, supported by an internal control department. A structured process is in place for the identification, evaluation, and management of significant risks affecting the achievement of operational objectives. This process is subject to continuous refinement and remained operational throughout the year under review and up to the date of this report. Day-to-day operations are entrusted to respective departments, which are accountable for their performance and compliance with the Board's established control frameworks.

During the year, the Board and the Audit Committee, with the support of the internal control department, reviewed the effectiveness of the Group's risk management and internal control systems across all major operations. All recommendations arising from internal and external audits are diligently followed up to ensure implementation within a reasonable timeframe.

The Board and the Audit Committee are satisfied that the Group's risk management and internal control systems, including the adequacy of resources, the qualifications and experience of financial and internal audit personnel, and their associated training programs and budgets, have been implemented effectively. The Group has fully complied with the relevant provisions of the Corporate Governance Code concerning risk management and internal controls for the year under review.

REPORT OF THE DIRECTORS

The Directors are pleased to present the report and the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “Year”).

REORGANIZATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Companies Law”) on 23 September 2011. Pursuant to a reorganization scheme to rationalize the structure of the Group in preparation for the listing of the Shares on the Stock Exchange, the Company became the holding company of subsidiaries now comprising the Group on 7 February 2012.

PRINCIPAL ACTIVITIES

During the year, the Group was principally engaged in business of production and sales of calcium carbonate products, mining, processing, trading and sales of marble stones and warehouse logistics business. There were no significant changes in the nature of the Group’s principal activities during the Year under review. The principal activity of the Company is investment holding.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group’s future business development are provided in the Chairman’s Statement and the section headed “Management Discussion and Analysis” in this annual report.

Principal Risks and Uncertainties

The Group’s financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

- Our marble products may fail to gain market acceptance due to changes in consumers’ consumption pattern.*

Our revenue largely depends on market demand and consumer preference. Consumer preferences change over time, and our products may not meet the particular preferences of consumers, or replace their existing preferences. Our failure to anticipate, identify or react to these particular preferences or changes in customer preferences may limit the demand for any new products we introduce, which may result in us not being able to recover our development, production and marketing costs. If this occurs, our business, prospects, financial condition and results of operations may be materially adversely affected.
- We may face difficulties as we expand our sales network to new regions and further penetrate existing markets.*

We intend to expand our sales network by further enhancing our existing geographical coverage and penetrating regions in the PRC as well as selecting overseas markets such as the North America and the Middle East. As we expand our business to new regions, we may encounter regulatory, personnel, technological and other difficulties that may increase our expenses or delay our ability to start our operations and expand our sales network in compliance with applicable regulatory requirements.

REPORT OF THE DIRECTORS

Environmental protection

The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental measures to ensure that the conducting of the Group's business meets the applicable local standards and ethics in respect of environmental protection. The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management.

Several measures have been implemented in order to mitigate environmental pollution, such as water saving, water recycling in the marble mine.

Compliance with laws and regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board is committed to keep itself abreast of the latest legal and regulatory requirements which have a significant impact on the Group, either through management teams which shall regularly monitor the legal and regulatory requirements, or through seeking professional legal advice, so as to ensure that the Group's policies and practices are in compliance with the applicable laws and regulations. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

As far as the Company is aware, the Group has complied in material respects with the relevant laws and regulations which have a significant impact on the business and operations of the Company during the Year.

Key relationships with its stakeholders

1. Workplace Quality

The Group believes that the Directors, senior management and employees are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. As such, the Share Option Scheme and other incentive schemes were adopted by the Company for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group's operations.

The Group provides on-the-job training and development opportunities to enhance its employees' career progression. Through different trainings, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. The Group also organized charitable and staff-friendly activities for employees, such as annual dinner, to promote staff relationship.

The Group strives to provide a safe, effective and congenial working environment. Adequate arrangements, trainings and guidelines are implemented to ensure the working environment is healthy and safe. The Group provided health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues.

The Group values the health and well-being of its staff. In order to provide employees with health coverage, its employees are entitled to medical insurance benefits.

REPORT OF THE DIRECTORS

2. *Relationships with other stakeholders*

The Group also understands that it is important to maintain good relationship with its distributors and customers to fulfil its long-term goals. To maintain its brand competitiveness and status, the Group aims at delivering constantly high standards of quality in the products to its distributors and customers. During the Year, there was no material and significant dispute between the Group and its distributors and/or customers.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statements of this annual report.

DIVIDEND

The Board does not recommend payment of final dividend for the year ended 31 December 2025 (2024: Nil).

DIVIDEND POLICY

The Company has adopted a dividend policy with the objective of achieving a balance between the amount of dividend and the amount of profits retained in the Group for business growth and other purposes. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others:

- (a) the Group's financial results;
- (b) the general financial condition of the Group;
- (c) the Group's current and future operations;
- (d) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;
- (e) liquidity position and capital requirement of the Group;
- (f) the general market conditions; and
- (g) any other factors that the Board deem appropriate.

The declaration and payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the Company's Articles of Association and any other applicable laws and regulations.

REPORT OF THE DIRECTORS

RESERVES

Details of movements in the reserves of the Group for the year ended 31 December 2025 are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity of this annual report, respectively.

As at 31 December 2025, the reserves of the Company available for distribution to Shareholders amounted to approximately RMB490.9 million (2024: RMB682.8 million).

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate sales attributable to the Group's largest and five largest customers were approximately 34.8% and 48.8% of the Group's total sales respectively. The aggregate purchases attributable to the Group's largest and five largest suppliers were approximately 14.9% and 28.6% of the Group's total purchases respectively during the Year.

During the Year, none of the Directors, their close associates or any Shareholders (who to the knowledge of the Directors owned more than 5% of the issued Shares) had any interest in any of the five largest customers or suppliers of the Group.

BANK AND OTHER BORROWINGS

Particulars of bank loans of the Group as at 31 December 2025 are set out in note 24 to the consolidated financial statements of this annual report.

DONATIONS

The Group did not make any charitable and other donations during the Year (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group are set out in note 12 to the consolidated financial statements of this annual report.

INVESTMENT PROPERTIES

Details of investment properties of the Group are set out in note 13 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital are set out in note 28 to the consolidated financial statements of this annual report.

REPORT OF THE DIRECTORS

FINANCIAL SUMMARY

A summary of the results of the Group for the last five financial years and of the assets, liabilities and non-controlling interests of the Group as at the end of the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 118 of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights over the Shares under the Articles or the laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DIRECTORS

The Directors during the Year and up to the date of this directors' report are as follows:

Executive Directors

Ms. WU Jing (伍晶)

Mr. TSAI Yu Shen (蔡又申)

Mr. WAN Jian (萬堅)

Mr. QIU Yuyuan (邱宇元) (appointed on 13 May 2025)

Non-executive Director

Mr. GU Zengcai (顧增才)

Independent Non-executive Directors

Ms. LUNG Yuet Kwan (龍月群)

Mr. HUI Yat On (許一安)

Mr. ZHAI Feiquan (翟飛全)

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

Pursuant to article 84 of the Articles, Mr. Gu Zengcai, Mr. Hui Yat On and Ms. Lung Yuet Kwan will retire by rotation as Director at the forthcoming AGM. All the above retiring Directors, being eligible, offer themselves for re-election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

REPORT OF THE DIRECTORS

DIRECTORS' REMUNERATION

The Remuneration Committee considers and recommends to the Board on the remuneration and other benefits paid by the Company to the Directors by reference to the Company's operating results, individual performance and comparable market rates. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

Details of Directors' remuneration are set out in note 8 to the consolidated financial statements of this annual report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as the 2024 Share Option Scheme and 2024 Share Award Scheme, at no time during the Year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SHARE SCHEMES

A. 2024 Share Option Scheme

The Company adopted a new share option scheme (the "2024 Share Option Scheme") pursuant to an ordinary resolution approved by the Company's shareholders in a general meeting on 19 January 2024. The following is a summary of the principal terms of the 2024 Share Option Scheme:

(a) *Purposes of the 2024 Share Option Scheme:*

The purposes of the 2024 Share Option Scheme are:

- (i) to recognise and acknowledge the contribution of the participants and to motivate participants to contribute to, and promote the interests of, the Company by granting options to them as incentives or rewards for their contribution to the growth and development of the Group;
- (ii) to attract, retain and motivate high-calibre participants to promote the sustainable development of the Group in line with the performance goals of the Group;
- (iii) to develop, maintain and strengthen long-term relationships that the participants may have with the Group for the benefit of the Group; and
- (iv) to align the interest of selected participants with those of the shareholders of the Company to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

REPORT OF THE DIRECTORS

(b) *Participants of the 2024 Share Option Scheme:*

The Board may, at its discretion, offer to grant share options to subscribe for such number of new shares of the Company as the Board may determine at an exercise price determined in accordance with paragraph (e) below to Employee Participant(s) which means Director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted share options and/or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries).

(c) *Maximum number of Shares available for subscription under the 2024 Share Option Scheme*

Subject to refreshment of the Scheme Mandate Limit, the maximum number of Shares which may be allotted and issued in respect of all options to be granted under the 2024 Share Option Scheme, and all share options and all share awards to be granted under any other schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (i.e. 19 January 2024), unless the Company has obtained separate approval by shareholders of the Company in a general meeting.

(d) *Maximum entitlement of each eligible participant under the 2024 Share Option Scheme*

The total number of shares issued and which may fall to be issued upon exercise of the share options and the share options and share awards granted under the 2024 Share Option Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) to each participant in any 12-month period up to and including the date of such grant shall not exceed 1% (not exceed 0.1% in case of Independent Non-executive Directors) of the total number of the Company's shares in issue.

(e) *Timing for exercising option*

Share options granted under the 2024 Share Option Scheme may be exercised during a period to be determined and notified by the Directors to the grantee thereof, save that such period shall not be more than ten (10) years from the offer date.

(f) *Payment of acceptance of option*

Upon acceptance of the option, the grantee shall pay HK\$1.00 (or an equivalent amount in RMB) to the Company by way of consideration for the grant.

(g) *The basis of determining the exercise price of option*

The exercise price in respect of any share option granted under the 2024 Share Option Scheme shall, subject to any adjustments, be at the discretion of the Directors, provided that it must be at least the highest of:

- (i) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date, which must be a business day;
- (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the offer date; and

REPORT OF THE DIRECTORS

(iii) the nominal value of the Shares on the offer date.

provided that in the event of fractional prices, the exercise price per share shall be rounded upwards to the nearest whole cent.

(h) *Vesting period of the 2024 Share Option Scheme*

Grantees of share options are required to hold their granted share option for not less than twelve (12) months from the offer date before it can be exercised.

(i) *Duration of the 2024 Share Option Scheme*

The 2024 Share Option Scheme will remain in force for a period of 10 years commencing on its Adoption Date (i.e. 19 January 2024).

No share options were granted, exercised, lapsed or cancelled under the 2024 Share Option Scheme since its adoption and up to and including 31 December 2025. As at 31 December 2025, no share options were outstanding under the 2024 Share Option Scheme.

B. 2024 Share Award Scheme

The Company adopted a share award scheme (the “2024 Share Award Scheme”) pursuant to an ordinary resolution approved by the Company’s shareholders in a general meeting on 19 January 2024. The following is a summary of the principal terms of the 2024 Share Award Scheme:

(a) *Purposes of the 2024 Share Award Scheme:*

The purposes of the 2024 Share Award Scheme are:

- (i) to recognise and acknowledge the contribution of the participants and to motivate participants to contribute to, and promote the interests of, the Company by granting Awards to them as incentives or rewards for their contribution to the growth and development of the Group;
- (ii) to attract, retain and motivate high-calibre participants to promote the sustainable development of the Group in line with the performance goals of the Group;
- (iii) to develop, maintain and strengthen long-term relationships that the participants may have with the Group for the benefit of the Group; and
- (iv) to align the interest of selected participants with those of the shareholders of the Company to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

REPORT OF THE DIRECTORS

(b) *Participants of the 2024 Share Award Scheme:*

The Board may, at its discretion, grant share award of such number of new shares of the Company as the Board may determine to Employee Participant(s) which means Director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted share options and/or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries).

(c) *Maximum number of Shares available for subscription under the 2024 Share Award Scheme*

Subject to refreshment of the Scheme Mandate Limit, the maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the Share Award Scheme and all share options and share awards to be granted under any other schemes shall not in aggregate exceed 10% of the number of issued shares of the Company as at the Adoption Date (i.e. 19 January 2024), unless the Company has obtained separate approval by shareholders of the Company in a general meeting.

(d) *Maximum entitlement of each eligible participant under the 2024 Share Award Scheme*

The maximum number of new shares which may be allotted and issued in respect of all share awards to be granted under the 2024 Share Award Scheme and all share options and share awards to be granted to each participant in any 12-month period up to and including the date of such grant shall not exceed 1% (not exceed 0.1% in case of Directors) of the total number of the Company's shares in issue.

(e) *Vesting period of the 2024 Share Award Scheme*

Not less than twelve (12) months vesting period from the grant date are required before the Grantee is entitled to the awarded shares and obtained the awarded share from the trustee to be engaged by the Company.

(f) *Duration of the 2024 Share Award Scheme*

The 2024 Share Award Scheme will remain in force for a period of 10 years commencing on its Adoption Date (i.e. 19 January 2024).

REPORT OF THE DIRECTORS

No share awards were granted, lapsed or cancelled under the 2024 Share Award Scheme since its adoption and up to and including 31 December 2025. As at 31 December 2025, no share awards were outstanding under the 2024 Share Award Scheme.

The total number of the shares which is available for being further issued under each share scheme of the Company versus the number of Company's shares in issue as at the dates of the Annual Reports of 2025 and 2024 are as follows:

Names of Share Scheme	2025		2024	
	2024 Share Option Scheme	2024 Share Award Scheme	2024 Share Option Scheme	2024 Share Award Scheme
Dates of the Annual Report	30 March 2026	30 March 2026	31 March 2025	31 March 2025
Total number of the shares which is available for being further issued under each share scheme as at the dates of the Annual Report	92,587,462	92,587,462	92,587,462	92,587,462
Total number of the Company's shares in issue as at the dates of the Annual Report	1,422,104,625	1,422,104,625	1,185,094,625	1,185,094,625
Percentage of the total number of the shares which is available for being further issued under each share scheme against total number of the Company's shares in issue as at the dates of the Annual Report	6.51%	6.51%	7.81%	7.81%

The number of options and awards available for grant under the Scheme Mandate Limit of the 2024 Share Option Scheme and the 2024 Share Award Scheme as at the date of adoption on 19 January 2024, 31 December 2024 and 31 December 2025 were 92,587,462.

The total number of shares available for issue under the 2024 Share Option Scheme and the 2024 Share Award Scheme as at the date of this annual report and the date of the 2024 annual report on 31 March 2025 were 92,587,462, representing approximately 6.51% (2024:7.81%) of the issued shares (excluding treasury shares) of the Company.

REPORT OF THE DIRECTORS

DISCLOSURE OF INTERESTS

A. Directors' interests and short positions in the securities of the Company and its associated corporations

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") under Divisions 7 and 8 of Part XV of the SFO (including interest and/or short positions which they were taken or deemed to have under such provisions of the SFO), or which as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

Long positions in the Shares

Name of Directors	Capacity	Number of Shares interested (Note 1)	Approximate percentage of the issued share capital of the Company
Ms. Wu Jing	Beneficial Owner	6,556,850 (L)	0.46%
Mr. Qiu Yuyuan	Beneficial Owner	6,000,000 (L)	0.42%

Note:

1. The letter "L" denotes the person's long position in the shares.

Save as disclosed above, as at 31 December 2025, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO); or to be recorded in the register required to be kept under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Appendix C3 of the Listing Rules.

REPORT OF THE DIRECTORS

B. Substantial Shareholders' interests or short positions in the securities of the Company

As at 31 December 2025, the interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of substantial Shareholders as required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares interested (Note 1)	Approximate percentage of the issued share capital of the Company
Heifeng Casado Co. Limited	Beneficial Owner	273,000,647 (L)	19.20%
Andes Global Financial Investment Limited	Interest in Controlled Corporation (Note 2)	273,000,647 (L)	19.20%
Andes Global Investment Group Limited	Interest in Controlled Corporation (Note 2)	273,000,647 (L)	19.20%
Yang Haobo	Interest in Controlled Corporation (Note 2)	273,000,647 (L)	19.20%
Xu Xiaodong	Beneficial Owner	138,000,000 (L)	9.70%

Notes:

1. The letter "L" denotes the person's long position in the shares.
2. These 273,000,647 shares were held by Heifeng Casado Co. Limited, which is in turn owned by Andes Global Financial Investment Limited, which is in turn wholly owned by Andes Global Investment Group Limited, which is in turn wholly owned by Yang Haobo. Accordingly, Yang Haobo was deemed to be interested in these 273,000,647 shares of the Company by virtue of the SFO.

EQUITY-LINKED AGREEMENTS

Other than the 2024 Share Option Scheme and 2024 Share Award Scheme as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the Year or subsisted at the end of the Year.

PERMITTED INDEMNITY PROVISION

Under the Articles, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

REPORT OF THE DIRECTORS

MANAGEMENT CONTRACTS

For the Year, there is no contract entered into by the Company relating to its management and administration or subsisting during the year which is substantial to the entire or any substantial part of the business of the Group.

CONNECTED TRANSACTIONS

So far as the Directors and chief executive are aware, no non-exempt connected transactions or continuing connected transactions were entered into by the Group during the Year.

A summary of the related party transactions entered into by the Group during the Year is contained in note 32 to the consolidated financial statements of this annual report. The related party transactions disclosed in note 32 to the consolidated financial statements are connected transactions or continuing connected transactions that were fully exempt from reporting, announcement, independent shareholders' approval and/or annual review pursuant to Rules 14A.76(1), 14A.90 and 14A.95 of the Listing Rules. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules in respect of such continuing connected transactions.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the Year, the Company has maintained a sufficient public float of more than 25% of the Company's issued share capital as required under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors has confirmed that he is neither engaged, nor interested, in any business which, directly or indirectly, competes or is likely to compete with the Group's business (apart from the Group's business).

AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by Suya WWC CPA Limited who will retire and being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution for the re-appointment of Suya WWC CPA Limited as the independent auditor of the Company will be proposed as the forthcoming annual general meeting of the Company.

On behalf of the Board

Qiu Yuyuan

Executive Director

Hong Kong, 30 March 2026

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ArtGo Holdings Limited

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of ArtGo Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 46 to 118, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section to our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

Key audit matter

How the matter was addressed in our audit

Impairment assessment on marble mines related non-current assets

Refer to Notes 2, 3, 12, 14 and 15 to the consolidated financial statements.

As at 31 December 2025, the Group had various marble mines related property, plant and equipment, right-of-use assets and intangible assets of approximately RMB138,540,000, RMB12,545,000 and RMB80,439,000 respectively. The management considered those assets were related to cash-generating-units for the production and sale of Marble products ("Marble CGU").

Management engaged an independent professional valuer (the "Valuer") to evaluate the value in-use of Marble CGU for the purpose of impairment assessment. The Group would conduct this assessment at least annually. The impairment assessment is a process that utilises the management's estimates in specific areas, such as the discount rate and the underlying cash flow projection, which are determined by the future market supply and demand conditions. Changes in the management's estimates may have a substantial financial impact on the Group.

For the purpose of impairment assessment, the management determined the recoverable amounts of Marble CGU based on value in use, which is the present value of the future cash flows expected to be derived from the Marble CGU.

We had identified impairment assessment of Marble CGU as a key audit matter because significant management judgement was required to determine the key assumptions including estimated recoverable reserves, commodity prices, operating margins and discount rate, etc. and the amounts involved were significant.

- We assessed the appropriateness of management's identification of the cash-generated-units and allocation of non-current assets based on Group's accounting policy and our understanding of the Group's business;
- We evaluated the assessment of impairment indicators of Marble CGU prepared by management;
- We obtained and reviewed cash flow forecasts of Marble CGU prepared by the management and approved by the directors of the Company;
- We evaluated the competence, capabilities and objectivity of the independent external valuer taking into account its experience and qualifications;
- We discussed with management and the independent external valuer engaged by the Company in relation to the methodology, basis and assumptions used in arriving at the forecasts (e.g. estimated sales growth rate and discount rate etc.) to see whether the methodology, basis and assumptions used were reasonable;
- We checked, on a sample basis, the accuracy and reliance of the input data used; and
- We also assessed the adequacy of the disclosures regarding the impairment assessment in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and performing to group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. So Wing Chiu with Practising Certificate number P07841.

Suya WWC CPA Limited

Certified Public Accountants

Unit 4, 27/F, Wu Chung House
213 Queen's Road East
Wan Chai, Hong Kong
30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	4, 5	73,758	71,596
Cost of sales		(61,544)	(60,383)
Gross profit		12,214	11,213
Other income and gains	5	4,599	9,932
Selling and distribution expenses		(628)	(801)
Administrative expenses		(43,734)	(45,489)
Expected credit losses on trade receivables		(937)	(3,916)
Expected credit losses on other receivables		(7,076)	(3,034)
Impairment loss on property, plant and equipment		(16,176)	–
Written-off of mining rights		–	(234,060)
Other expenses		(8,677)	(769)
Finance costs	6	(18,328)	(16,247)
Share of results of associates	16	(2,348)	(1,820)
LOSS BEFORE TAX	7	(81,091)	(284,991)
Income tax expense	9	(752)	(215)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(81,843)	(285,206)
Attributable to:			
Owners of the Company		(81,843)	(285,188)
Non-controlling interests		–*	(18)
		(81,843)	(285,206)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
– Basic and diluted	11	RMB(0.07)	RMB(0.28)

* Represent amount less than RMB1,000.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	383,031	409,431
Investment properties	13	18,143	18,345
Right-of-use assets	14	252,043	261,609
Intangible assets	15	80,439	80,449
Investments in associates	16	34,984	37,332
Prepayments, deposits and other receivables	19	3,589	3,370
Deferred tax assets	27	156	156
Total non-current assets		772,385	810,692
CURRENT ASSETS			
Inventories	17	26,718	23,558
Trade receivables	18	24,332	19,073
Prepayments, deposits and other receivables	19	104,793	129,626
Restricted deposits	20	634	634
Cash and bank balances	20	11,056	16,053
Total current assets		167,533	188,944
CURRENT LIABILITIES			
Trade payables	21	17,930	23,278
Contract liabilities	22	8,394	11,945
Other payables and accruals	23	62,645	76,866
Tax payables		26,327	26,153
Lease liabilities	14	–	610
Interest-bearing bank and other borrowings	24	41,838	24,730
Total current liabilities		157,134	163,582
NET CURRENT ASSETS		10,399	25,362
TOTAL ASSETS LESS CURRENT LIABILITIES		782,784	836,054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	24	206,098	200,720
Deferred tax liabilities	27	8,984	8,984
Deferred income	25	3,589	3,799
Provision for rehabilitation	26	23,085	21,847
Total non-current liabilities		241,756	235,350
NET ASSETS			
EQUITY			
Equity attributable to owners of the Company			
Issued capital	28	12,809	10,690
Reserves	29	434,636	496,431
		447,445	507,121
Non-controlling interests		93,583	93,583
TOTAL EQUITY		541,028	600,704

The consolidated financial statements on page 46 to 117 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Tsai Yu Shen
Director

Qiu Yuyuan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

Attributable to owners of the Company										
Notes	Issued capital RMB'000 (note 28)	Share premium RMB'000 (note 29(a))	Statutory surplus reserve RMB'000 (note 29(b))	Safety fund surplus reserve RMB'000 (note 29(c))	Difference arising from acquisition of non-controlling interests RMB'000	Contributed surplus RMB'000 (note 29(d))	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	166,551	2,086,209*	18,610*	870*	(19,048)*	26,636*	(1,516,221)*	763,607	93,053	856,660
Loss and total comprehensive loss for the year	-	-	-	-	-	-	(285,188)	(285,188)	(18)	(285,206)
Issue of new shares	28	13,376	15,326	-	-	-	-	28,702	-	28,702
Capital reduction	28	(169,237)	169,237	-	-	-	-	-	-	-
Disposal of subsidiaries	30	-	-	-	-	-	-	-	548	548
As at 31 December 2024 and 1 January 2025	10,690	2,270,772*	18,610*	870*	(19,048)*	26,636*	(1,801,409)*	507,121	93,583	600,704
Loss and total comprehensive loss for the year	-	-	-	-	-	-	(81,843)	(81,843)	-	(81,843)
Issue of new shares	28	2,119	20,048	-	-	-	-	22,167	-	22,167
As at 31 December 2025	12,809	2,290,820*	18,610*	870*	(19,048)*	26,636*	(1,883,252)*	447,445	93,583	541,028

* These reserve accounts comprise the consolidated reserves of approximately RMB434,636,000 (2024: RMB496,431,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(81,091)	(284,991)
Adjustments for:			
Depreciation of property, plant and equipment	12	13,449	19,846
Depreciation of investment properties	13	202	241
Depreciation of right-of-use assets	14	9,535	9,412
Amortisation of intangible assets	15	10	10
Share of results of associates	16	2,348	1,820
Expected credit losses on trade receivables	18	937	3,916
Expected credit losses on other receivables	19	7,076	3,034
Modification loss on contracts		7,874	–
Impairment loss on property, plant and equipment	12	16,176	–
Waiver of loan principals and interest from loan restructuring	5	–	(9,161)
Written-off of mining rights	15	–	234,060
Deferred income released to profit or loss	25	(210)	(210)
Finance costs	6	18,328	16,247
Gain on disposal of subsidiaries	30	–	(16)
Bank interest income	5	(5)	(277)
Imputed interest income	5	(204)	–
Operating loss before working capital changes		(5,575)	(6,069)
(Increase)/decrease in trade receivables		(6,196)	1,957
Increase in inventories		(3,160)	(4,774)
Decrease/(increase) in prepayments, other receivables and other assets		9,868	(6,713)
(Decrease)/increase in trade payables		(5,348)	2,145
(Decrease)/increase in other payables and accruals		(10,357)	9,314
(Decrease)/increase in contract liabilities		(3,551)	6,025
Decrease in restricted deposits		–	5
Cash (used in)/generated from operations		(24,319)	1,890
Income tax paid		(578)	(520)
Interest paid		(18,173)	(2,707)
Interest received		5	277
Net cash flows used in operating activities		(43,065)	(1,060)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	12	(3,225)	(8,207)
Net cash outflow arising from disposal of subsidiaries	30	–	(1,298)
Net cash flows used in investing activities		(3,225)	(9,505)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	28	22,167	28,702
Repayment to a director		(2,781)	(643)
Principal portion of lease payments		(551)	(1,035)
Proceeds from bank and other borrowings		36,454	34,900
Repayment of bank and other borrowings		(13,968)	(136,260)
Net cash generated from/(used in) financing activities		41,321	(74,336)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,969)	(84,901)
Cash and cash equivalents at beginning of the year		16,053	100,956
Effect on exchange rate change		(28)	(2)
CASH AND CASH EQUIVALENTS AT END OF YEAR		11,056	16,053
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position			
– cash and bank balances	20	11,056	16,053

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

ArtGo Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is located at Room C2, Office A, 14/F Bangkok Bank Building, 28 Des Voeux Road Central, Central, Hong Kong.

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

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

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity interests attributable to the Company		Principal activities
			Direct	Indirect	
ArtGo Investment Limited 雅高投資有限公司 ("ArtGo Investment")	British Virgin Islands ("BVI") 26 September 2011	US\$1	100	–	Investment holding
ArtGo (HK) Investment Group Limited 雅高(香港)投資集團有限公司 ("ArtGo HK")	Hong Kong 3 October 2011	HK\$100	–	100	Investment holding
ArtGo Stone (Jiangxi) Co., Ltd. 雅高石材(江西)有限公司 ⁽¹⁾ ("ArtGo Stone")	People's Republic of China (the "PRC")/Mainland China 17 September 2013	US\$18,000,000	–	100	Processing and sale of marble stones; and technical service of stone processing
Shanghai Junding Industrial Co., Ltd. 上海珺頂實業有限公司 ⁽¹⁾ ("Shanghai Junding")	PRC/Mainland China 14 August 2023	HK\$2,000,000	–	100	Retail and wholesale of decorating materials and construction materials
ArtGo (Xuyi) Co., Ltd. 雅高(盱眙)實業有限公司 ⁽¹⁾ ("ArtGo Xuyi")	PRC/Mainland China 1 July 2016	US\$159,990,000	–	100	Wholesale, logistics and mineral processing
ArtGo Junqi (Xiamen) Co., Ltd. 雅高珺奇(廈門)實業有限公司 ⁽²⁾ ("ArtGo Xiamen")	PRC/Mainland China 18 January 2017	RMB2,000,000	–	100	Import and export of mining machines

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION — *continued*

Information about subsidiaries — *continued*

Particulars of the Company's principal subsidiaries are as follows: — *continued*

Name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity interests attributable to the Company		Principal activities
			Direct	Indirect	
Guangxi ArtGo Junqi Limited 廣西雅高珺奇有限公司 ⁽²⁾ ("ArtGo Guangxi")	PRC/Mainland China 31 July 2017	RMB50,000,000	–	100	Retail and wholesale of construction materials and chemical products
Jiangxi Jueshi (Yongfeng) Mining Co., Ltd. 江西省珺石(永豐)礦業有限公司 ⁽²⁾ ("Jueshi Mining")	PRC/Mainland China 28 December 2009	RMB60,000,000	–	100	Mining exploration, processing and sale of marble stones
Guizhou County Dejiang SanXin Stone Co., Ltd. 貴州德江三鑫石材有限公司 ⁽²⁾ ("SanXin Stone")	PRC/Mainland China 11 April 2014	RMB20,000,000	–	80	Mining exploration, processing and sale of marble stones
Jiangsu Taifeng Logistics Co., Ltd. 江蘇泰豐物流有限公司 ⁽²⁾ ("Jiangsu Taifeng")	PRC/Mainland China 3 June 2011	RMB66,000,000	–	100	Warehousing, logistics, and sale of mineral products
Jiangxi Keyue Technology Co., Ltd. 江西科越科技有限公司 ⁽¹⁾ ("Jiangxi Keyue")	PRC/Mainland China 19 September 2007	RMB2,000,000	–	100	Production and sale of calcium carbonate

⁽¹⁾ These subsidiaries are registered as wholly-foreign-owned enterprises under the PRC law.

⁽²⁾ These subsidiaries are registered as domestic enterprises under the PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.1 BASIS OF PREPARATION

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

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

The directors of the Company have undertaken a thorough review of the Group’s liquidity position in preparing the consolidated financial statements. The directors of the Company are in the opinion that the Group will be able to renew its short-term borrowings without difficulty given the Group’s established history of timely repayments and its consistent success in renewing these borrowings over previous years. Under this consideration, the directors consider that the Group is able to operate as a going concern and meet its financial obligations as when they fall due within the next year from the date of the consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangements with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group’s voting rights and potential voting rights.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assessed whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.2 APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 *Lack of Exchangeability*

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

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

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards IFRS 18	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 19 and its amendments	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Subsidiaries without Public Accountability: Disclosures ³
	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement profit or loss and consolidated other comprehensive income, respectively.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES — *continued*

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation of items of property, plant and equipment, other than mining infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

	Useful lives	Principal annual rates
Buildings	20 years	5%
Plant and machinery	5–20 years	5%–20%
Office equipment	3–10 years	10%–33%
Motor vehicles	5–10 years	10%–20%

Depreciation of mining infrastructure is calculated using the unit-of-production (“UOP”) method to write off the cost of the assets in proportion to the extraction of the proved and probable mineral reserves. The estimated useful lives of the mining infrastructure are determined in accordance with the production plans of the entity concerned and the proved and probable reserves of mines using the UOP method.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowing funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Investment properties

Investment properties are interests in leasehold lands, land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method. The estimated useful lives of investment properties are 50 years with principal annual rates of 6.00%.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licenses, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	15 to 50 years
Warehouse	10 years
Office premises	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Leases – *continued*

Group as a lessee – continued

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of dormitory (that is those leases that have a lease term of 12 months). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES — *continued*

Impairment of financial assets — *continued*

General approach — continued

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES — *continued*

Impairment of financial assets — *continued*

General approach — continued

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Impairment of financial assets – *continued*

General approach – continued

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank and other borrowings.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Financial liabilities – *continued*

Subsequent measurement

The subsequent measurement of the Group's loans and borrowings is as follows:

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of finished goods, comprises direct materials, direct labour and an appropriate proportion of fixed and variable overhead costs, including depreciation and amortisation incurred in converting materials into finished goods, based on the normal production capacity. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in “Finance costs” in profit or loss.

Provisions for the Group’s obligations for rehabilitation are based on estimates of the required expenditure at the mines in accordance with the rules and regulations of the People’s Republic of China (the “PRC”). The obligation generally arises when the asset is installed or the ground environment is disturbed at the production location. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining infrastructure.

Over time, the discounted liability increases for the change in present value based on the appropriate discount rate. The periodic unwinding of the discount is recognised within “Finance costs” in profit or loss. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure date. Additional disturbances or changes in estimates (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities) will be recognised as additions or charges to the corresponding assets and rehabilitation liabilities when they occur at the appropriate discount rate.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, with limited exceptions.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, with limited exceptions.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the products is transferred to the customer, generally on delivery of the goods to customer's specific location.

(b) Provision of warehousing and logistics services

Revenue from the provision of warehousing and logistics services is recognised over time when the relevant service has been provided to which the Group has the right to invoice, as the customer simultaneously receives and consumes the benefits provided by the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Revenue recognition – *continued*

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Employee benefits

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Employee benefits – *continued*

Retirement benefit obligations

The Group contributes to a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. Contributions are made based on a percentage of the employees’ relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed in the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

The employees of the Company’s subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group’s employer contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions). As at 31 December 2025, no forfeited contribution under the pension scheme of the Group is available for deduction of contribution payable in coming years.

Long service payments

The Group’s net obligation in respect of long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred. The Group’s liability in respect of the housing fund is limited to the contribution payable in each period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES – *continued*

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES — *continued*

Estimation uncertainty — *continued*

Mineral reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable mine reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated on the UOP method and the time period for discounting the rehabilitation provision. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

Provision for rehabilitation

Provision for rehabilitation is based on estimates of future expenditures incurred by management to undertake rehabilitation and restoration work which were discounted to reflect the term and nature of the obligation to their present value. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in the discount rate. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the consolidated statement of financial position by adjusting the rehabilitation asset and liability.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible asset

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation, amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amount including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating-unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash-generating-units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rate or the growth rate in the cash flow projections, could materially affect the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two (2024: two) reportable and operating segments as below:

- (a) the marble products segment produces marble stone products and calcium carbonate products mainly by further processing or trading; and
- (b) the other segment includes provision of warehousing and logistics services.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION – continued

Year ended 31 December 2025

	Marble products RMB'000	Others RMB'000	Total RMB'000
SEGMENT REVENUE (note 5)	71,750	2,008	73,758
Segment results	(13,601)	(3,143)	(16,744)
<i>Reconciliation:</i>			
Interest income			5
Expected credit losses recognised in the statement of profit or loss			(8,013)
Impairment loss on property, plant and equipment			(16,176)
Finance costs (other than interest on lease liabilities)			(18,281)
Corporate and other unallocated expenses			(21,882)
Loss before tax			(81,091)
Segment assets	814,499	48,933	863,432
<i>Reconciliation:</i>			
Deferred tax assets			156
Cash and bank balances			11,056
Restricted deposits			634
Corporate and other unallocated assets			64,640
Total assets			939,918
Segment liabilities	216,734	115	216,849
<i>Reconciliation:</i>			
Tax payable			26,327
Deferred tax liabilities			8,984
Corporate and other unallocated liabilities			146,730
Total liabilities			398,890
Other segment information			
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation and amortisation	(22,661)	(535)	(23,196)
Impairment losses and expected credit loss, recognised in the statement of profit or loss, net	(24,189)	–	(24,189)
Share of results of associates	(2,348)	–	(2,348)
Investments in associates	34,984	–	34,984
Capital expenditure*	3,159	66	3,225

* Capital expenditure consists of additions to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION – continued

Year ended 31 December 2024

	Marble products RMB'000	Others RMB'000	Total RMB'000
SEGMENT REVENUE (note 5)	70,206	1,390	71,596
Segment results	(15,314)	(2,475)	(17,789)
<i>Reconciliation:</i>			
Interest income			277
Expected credit losses recognised in the statement of profit or loss			(6,950)
Written-off of mining rights			(234,060)
Finance costs (other than interest on lease liabilities)			(16,182)
Corporate and other unallocated expenses			(10,287)
Loss before tax			(284,991)
Segment assets	840,854	52,856	893,710
<i>Reconciliation:</i>			
Deferred tax assets			156
Cash and bank balances			16,053
Restricted deposits			634
Corporate and other unallocated assets			89,083
Total assets			999,636
Segment liabilities	221,170	512	221,682
<i>Reconciliation:</i>			
Tax payable			26,153
Deferred tax liabilities			8,984
Corporate and other unallocated liabilities			142,113
Total liabilities			398,932
Other segment information			
Amounts included in the measure of segment profit or loss or segment assets:			
Depreciation and amortisation	(28,532)	(977)	(29,509)
Impairment losses and expected credit loss, recognised in the statement of profit or loss, net	(241,010)	–	(241,010)
Share of results of associates	(1,820)	–	(1,820)
Investments in associates	37,332	–	37,332
Capital expenditure*	8,207	–	8,207

* Capital expenditure consists of additions to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION – *continued*

Geographical information

All external revenue of the Group during each of the two years ended 31 December 2025 and 2024 was attributable to customers located in the PRC, the place of domicile of the Group's operating entities.

The Group's principal non-current assets were located in the PRC.

Information about major customers

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

	2025	2024
	RMB'000	RMB'000
Customer A (marble products segment)	25,672	20,465
Customer B (marble products segment)	N/A*	8,635
Customer C (marble products segment)	N/A*	7,878

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	73,758	71,596

Revenue from contracts with customers

(i) *Disaggregated revenue information*

Segments	2025 RMB'000	2024 RMB'000
<i>Types of goods or services</i>		
Sale of marble products	71,750	70,206
Provision of warehousing and logistics services	2,008	1,390
Total revenue from contracts with customers	73,758	71,596

	2025 RMB'000	2024 RMB'000
<i>Timing of revenue recognition</i>		
Goods transferred on a point in time basis	71,750	70,206
Service transferred on over time basis	2,008	1,390
	73,758	71,596

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of marble products	11,945	5,920

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of marble products

The performance obligation is satisfied upon delivery of goods and payment is generally due within six months from delivery.

At 31 December 2025 and 2024, the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS – continued

Other income and gains

An analysis of other income and gains as follows:

	2025 RMB'000	2024 RMB'000
Refund of value-added tax	3,027	–
Bank interest income	5	277
Imputed interest income	204	–
Deferred income released to profit or loss	210	210
Government grants*	1,143	4
Miscellaneous	10	264
Waiver of loan principals and interest from loan restructuring	–	9,161
Gain on disposal of subsidiaries (note 30)	–	16
Total other income and gains	4,599	9,932

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

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank loans	2,432	2,216
Interest on other borrowings	14,611	12,727
Unwinding of a discount for rehabilitation	1,238	1,239
Interest on lease liabilities	47	65
	18,328	16,247

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. LOSS BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		60,190	59,027
Employee benefit expense			
Wages and salaries		12,509	14,256
Welfare and other benefits		344	299
Pension scheme contributions			
— Defined contribution fund		1,572	1,623
Housing fund		135	177
Total employee benefit expense		14,560	16,355
Depreciation of property, plant and equipment	12	13,449	19,846
Depreciation of investment properties	13	202	241
Depreciation of right-of-use assets	14	9,535	9,412
Amortisation of intangible assets	15	10	10
Depreciation and amortisation expenses		23,196	29,509
Modification loss on contracts*		7,874	—
Expected credit losses on trade and other receivables	18, 19	8,013	6,950
Impairment loss on property, plant and equipment	12	16,176	—
Written-off of mining rights	15	—	234,060
Lease payments not included in the measurement of lease liabilities		870	427
Auditor's remuneration		1,000	1,000
Bank interest income	5	(5)	(277)

* Included in "other expenses" in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	1,263	760
Other emoluments:		
Salaries, allowances and benefits in kind	3,429	1,964
Pension scheme contributions	34	80
	3,463	2,044
	4,726	2,804

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Hui Yat On	166	165
Ms. Lung Yuet Kwan	184	183
Mr. Zhai Feiquan	111	110
	461	458

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES – *continued*

(b) Executive directors, a non-executive director and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
2025				
Executive directors:				
Ms. Wu Jing	–	2,765	17	2,782
Mr. Tsai Yu Shen (note (i))	664	–	–	664
Mr. Wan Jian	–	–	–	–
Mr. Qiu Yuyuan (note (ii))	–	664	17	681
	664	3,429	34	4,127
Non-executive director:				
Mr. Gu Zengcai	138	–	–	138
	802	3,429	34	4,265
2024				
Executive directors:				
Ms. Wu Jing	–	1,782	16	1,798
Mr. Tsai Yu Shen (note (i))	165	–	–	165
Mr. Wan Jian	–	–	–	–
Mr. Gu Weiwen (note (iii))	–	89	36	125
Mr. Zhang Jian (note (iv))	–	93	28	121
	165	1,964	80	2,209
Non-executive director:				
Mr. Gu Zengcai	137	–	–	137
	302	1,964	80	2,346

Notes:

- (i) Mr. Tsai Yu Shen was appointed as an executive director and joint-chairman of the Company on 30 September 2024.
- (ii) Mr. Qiu Yuyuan was appointed as an executive director of the Company on 13 May 2025.
- (iii) Mr. Gu Weiwen was resigned as executive director and vice chairman of the Company on 26 September 2024.
- (iv) Mr. Zhang Jian was resigned as executive director of the Company on 26 September 2024.

Ms. Wu Jing is also the acting chief executive officer and joint-chairman of the Company.

The executive director's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's emoluments shown above were for his services as director of the Company and its subsidiaries, if applicable.

During the years ended 31 December 2025 and 2024, no emoluments were paid or payables by the Group to the directors as an instrument to join the Group or upon joining the Group or as compensation for loss of office.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES — *continued*

(c) Five highest paid employees

The five highest paid employees during the year included three director (2024: one director), details of whose remuneration are set out in note 8 (b) above. Details of the remuneration for the year of the remaining two (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	803	4,443
Pension scheme contributions	25	158
	828	4,601

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	2	4
HK\$1,000,001 to HK\$1,500,000	—	—
	2	4

9. INCOME TAX EXPENSE

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

Pursuant to the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25% (2024: 25%).

Jiangxi Keyue, 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, which has been extended to 29 October 2028.

The major components of income tax expense were as follows:

	2025 RMB'000	2024 RMB'000
Current — PRC		
Charge for the year	752	215

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

9. INCOME TAX EXPENSE — *continued*

A reconciliation of the income tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(81,091)	(284,991)
Tax at the respective statutory tax rates:		
— PRC subsidiaries, at 25%	(10,451)	(34,528)
— Hong Kong subsidiaries, at 16.5%	(4,438)	(24,235)
Non-deductible expenses	15,033	58,458
Tax losses and deductible temporary difference not recognised	608	520
Tax expense at the Group's effective rate	752	215

10. DIVIDENDS

The directors do not recommend any payment of dividend for the year ended 31 December 2025 (2024: nil).

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

The calculation of basic loss per share for the year ended 31 December 2025 is based on the loss for the year attributable to ordinary equity holders of the company, and the weighted average number of ordinary shares of 1,190,289,365 (2024: 1,033,327,084) in issue during the year.

No adjustment has been made to the basic loss per share for the years ended 31 December 2025 and 2024 as there was no potential shares outstanding in both years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mining infrastructure RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
As at 1 January 2024	170,683	123,553	4,085	6,845	131,236	125,624	562,026
Additions	-	716	8	-	-	7,483	8,207
Disposal of subsidiaries	(455)	(3,447)	(189)	(1,596)	-	-	(5,687)
As at 31 December 2024 and 1 January 2025	170,228	120,822	3,904	5,249	131,236	133,107	564,546
Additions	-	1,903	822	36	-	464	3,225
As at 31 December 2025	170,228	122,725	4,726	5,285	131,236	133,571	567,771
Accumulated depreciation and impairment:							
As at 1 January 2024	62,953	67,130	3,620	6,444	809	-	140,956
Provided for the year (note 7)	8,791	10,469	16	381	189	-	19,846
Disposal of subsidiaries	(455)	(3,447)	(189)	(1,596)	-	-	(5,687)
As at 31 December 2024 and 1 January 2025	71,289	74,152	3,447	5,229	998	-	155,115
Provided for the year (note 7)	7,044	6,209	16	17	163	-	13,449
Impairment	-	-	-	-	-	16,176	16,176
As at 31 December 2025	78,333	80,361	3,463	5,246	1,161	16,176	184,740
Net carrying amount:							
As at 31 December 2025	91,895	42,364	1,263	39	130,075	117,395	383,031
As at 31 December 2024	98,939	46,670	457	20	130,238	133,107	409,431

As at 31 December 2025, the Group's buildings with carrying amount of RMB18,726,000 (2024: RMB19,105,000) were pledged as security for certain bank and other borrowings granted to the Group (note 24a)).

As at 31 December 2025, the Group had capital commitments for acquisition of property, plant and equipment, which were contracted but not provided for in the consolidated financial statements of approximately RMB858,000 (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

13. INVESTMENT PROPERTIES

	2025	2024
	RMB'000	RMB'000
Carrying amount at 1 January	18,345	18,586
Depreciation provided for the year (note 7)	(202)	(241)
Carrying amount at 31 December	18,143	18,345

As at 31 December 2025 and 2024, the Group's investment properties consist of two leasehold lands in Jiangsu, the PRC, for the purpose of generating rental income.

As at 31 December 2025, the total fair value of the investment properties was estimated to be approximately RMB22,210,000 (2024: RMB20,770,000). The valuation was performed by Win Bailey Valuation and Advisory Limited, an independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained. The fair value of the investment properties measured at the end of the reporting period was categorised into Level 3 valuation, where fair value was measured using significant unobservable inputs, as defined in IFRS 13 *Fair Value Measurement*.

Below is a summary of the valuation technique used and the key input to the valuation of investment properties:

	Valuation technique	Significant unobservable input	Range	
			2025	2024
Leasehold lands	Market comparison method	Estimated price per square metre	RMB197	RMB184

Under the market comparison approach, fair value is estimated with reference to recent transactions for similar leasehold lands/properties in the proximity with adjustments for the differences in floor area, etc. between the comparable leasehold lands/properties and the subject leasehold lands/properties.

A significant increase/(decrease) in the estimated price per square metre in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. The valuations take into account the characteristics of the investment properties which included the location, size and other factors collectively.

No impairment loss was recognised during the years ended 31 December 2024 and 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

14. LEASES

The Group as a lessee

For both years, the Group has lease contracts for offices and land use rights used in its operations. Lump sum payments were made upfront to acquire the leasehold land from the owners with lease periods of 15 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of offices generally have lease terms between 2 and 3 years. Lease of parcels of land has lease terms of 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land	Office premises	Parcels of land	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	264,492	1,535	5,330	271,357
Depreciation charge (note 7)	(7,916)	(977)	(519)	(9,412)
Disposal of subsidiaries (note 30)	–	(366)	–	(366)
Exchange realignment	–	30	–	30
As at 31 December 2024 and 1 January 2025	256,576	222	4,811	261,609
Depreciation charge (note 7)	(8,057)	(191)	(1,287)	(9,535)
Exchange realignment	–	(31)	–	(31)
As at 31 December 2025	248,519	–	3,524	252,043

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

14. LEASES — *continued*

The Group as a lessee — *continued*

(b) Lease liabilities

The carrying amount of lease liabilities in respect of leases of office premises and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	610	1,552
Accretion of interest recognised during the year (note 6)	47	65
Payments	(598)	(1,035)
Exchange realignment	(59)	28
Carrying amount at 31 December	—	610
Analysed into:		
Current portion	—	610

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 6)	47	65
Depreciation charge of right-of-use assets (note 7)	9,535	9,412
Expense relating to short-term leases (included in cost of sales)	870	93
Total amount recognised in profit or loss	10,452	9,570

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

15. INTANGIBLE ASSETS

	Mining rights
	RMB'000
Cost	
As at 1 January 2024	385,519
Written-off of mining rights (note 7)	(234,060)
As at 31 December 2024, 1 January 2025 and 31 December 2025	151,459
Accumulated amortisation and impairment:	
As at 1 January 2024	71,000
Amortisation provided during the year (note 7)	10
As at 31 December 2024 and 1 January 2025	71,010
Amortisation provided during the year (note 7)	10
As at 31 December 2025	71,020
Net carrying amount:	
As at 31 December 2025	80,439
As at 31 December 2024	80,449

In accordance with the Group's accounting policies, each CGU is evaluated annually at 31 December to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

In assessing whether an impairment is required, the carrying value of each CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value in use ("VIU"). No impairment loss was recognised for the year ended 31 December 2025 (2024: impairment loss of nil).

The recoverable amount of each CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a five years budget, with a pre-tax discount rate of 15.47% as at 31 December 2025 (2024: 13%) and the average growth rate used is 16.45% (2024: 25.64%). The cash flows beyond the 5-year period budget are extrapolated using 8.74% average growth rate (2024: 7.61%). The estimate remaining useful life of the mining rights is 17 years (2024: 18 years). Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on each CGU's past performance and management expectations.

SanXin Stone, a PRC wholly owned subsidiary of the Company, received a notification dated 29 December 2024 from the Natural Resources and Planning Bureau of Dejiang County ("Dejiang Natural Resources Bureau") in Guizhou Province that Dejiang Natural Resources Bureau has decided to reject the application for the renewal of mining license of Dejiang Mine. Therefore, the management has written-off the costs of the mining rights attributable to the mining right which amounted to approximately RMB234,060,000 during the year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

16. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	34,984	37,332

Particulars of the material associates of the Group, which were operated in the PRC, are as follows:

Name	Percentage of ownership interest attributable to the Group		Principal activities
	2025	2024	
Good Benefit Holdings Limited and its subsidiaries ("Good Benefit Group")	49	49	Business management consulting and property holding

The Group's shareholding in associates are held through the subsidiaries of the Company.

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

Good Benefit Group

	2025 RMB'000	2024 RMB'000
Current assets	26,318	26,317
Non-current assets	73,827	78,533
Current liabilities	(28,749)	(28,662)
Net assets	71,396	76,188
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	49%	49%
Group's share of net assets of the associate	34,984	37,332
Carrying amount of the investment	34,984	37,332
Revenue	-	-
Loss and total comprehensive income for the year	(4,792)	(3,716)
Share of associate's loss and total comprehensive income for the year	(2,348)	(1,820)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

17. INVENTORIES

	2025	2024
	RMB'000	RMB'000
Finished goods	3,103	–
Materials and supplies	23,615	23,558
	26,718	23,558

18. TRADE RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Trade receivables	90,270	84,074
Allowance for expected credit losses	(65,938)	(65,001)
	24,332	19,073

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

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

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

	2025	2024
	RMB'000	RMB'000
Within 1 month	10,262	6,817
1 to 3 months	9,139	6,932
3 to 6 months	3,997	4,142
6 to 12 months	934	1,182
	24,332	19,073

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

18. TRADE RECEIVABLES – continued

The movements in the expected credit losses of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	65,001	61,085
Expected credit losses provided (note 7)	937	3,916
At end of year	65,938	65,001

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Current	Past due		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	16.91%	77.95%	100%	
Gross carrying amount (RMB'000)	28,160	4,240	57,870	90,270
Expected credit losses (RMB'000)	4,762	3,306	57,870	65,938

As at 31 December 2024

	Current	Past due		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	15.39%	62.65%	100%	
Gross carrying amount (RMB'000)	21,146	3,165	59,763	84,074
Expected credit losses (RMB'000)	3,255	1,983	59,763	65,001

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
<i>Current portion:</i>			
Prepayments in respect of:			
— Purchase of industrial goods		15,167	26,578
— Purchase of materials and supplies		24,037	15,556
— Service fees		8,276	7,359
Escrow funds	(a)	151	151
Performance security		—	8
Deposits		1,174	1,951
Disposal of property, plant and equipment	(f)	18,817	23,027
Due from associates	(b)	237	150
Due from former subsidiaries	(e),(f)	47,637	56,100
Other receivables		9,136	11,509
		124,632	142,389
Allowance for expected credit losses	(c)	(19,839)	(12,763)
		104,793	129,626
<i>Non-current portion:</i>			
Prepayments in respect of			
— Cultivated land compensation	(d)	3,589	3,370

Notes:

- (a) The balance represents deposits made to Xuyi County Housing Bureau, which was held in escrow for the payment related to the construction of Xuyi Logistics Park.
- (b) The amounts due from associates are unsecured, interest free and no fixed repayment terms.
- (c) The movements in the expected credit losses of financial assets in other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	12,763	9,729
Expected credit losses (note 7)	7,076	3,034
At end of year	19,839	12,763

Where applicable, an impairment analysis is performed at each reporting date by considering ECLs, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

- (d) 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.
- (e) 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.
- (f) On 4 September 2025, a creditor, included in other borrowings, which the Company owed RMB114,500,000 agreed to provide guarantee to the receivables from disposal of property, plant and equipment, and due from former subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

20. RESTRICTED DEPOSITS AND CASH AND BANK BALANCES

	2025	2024
	RMB'000	RMB'000
Cash on hand and cash at banks	11,690	16,687
Less:		
Restricted deposits	(634)	(634)
Cash and bank balances	11,056	16,053

At the end of the reporting period, the Group's restricted deposits and cash and bank balances are denominated in the following currencies:

	2025	2024
	RMB'000	RMB'000
RMB	7,908	15,277
HK\$	3,782	1,410
	11,690	16,687

Included in the restricted deposits were approximately RMB634,000 (2024: RMB634,000) held in a bank account by the Group, which the Xuyi County Housing Bureau restricted for the sole use of wages payment.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

21. TRADE PAYABLES

	2025	2024
	RMB'000	RMB'000
Trade payables	17,930	23,278

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

	2025	2024
	RMB'000	RMB'000
Within 1 month	1,236	20
1 to 2 months	1,426	120
Over 3 months	15,268	23,138
	17,930	23,278

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

22. CONTRACT LIABILITIES

	2025	2024
	RMB'000	RMB'000
Sales of goods	8,394	11,945

Contract liabilities include short-term advances received to deliver marble products.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

23. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Payables relating to:			
Taxes other than income tax		3,403	6,143
Professional fees		9,331	12,628
Payroll and welfare		16,457	20,847
Due to a director (note 32(b))	(a)	–	2,781
Interest payables relating to:			
– Bank and other borrowings		28,180	29,263
– Purchase of mining right	(b)	3,707	3,707
Others		1,567	1,497
		62,645	76,866

Note:

- (a) The amount due to a director (Ms. Wu Jing) in 2024 is unsecured, interest free and have no fixed repayment terms.
- (b) The balances represented interest payables in connection with the purchase of mining rights to Yongfeng Mine at a rate with reference to the prevailing interest rate with the similar repayment term promulgated by the People's Bank of China, i.e., 4.75% per annum. The final principal payment of the mining rights fee was settled in January 2019.

Except for the payables as described above, all other payables of the Group are non-interest-bearing.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Bank loans:			
Secured	(a)	15,000	15,000
Unsecured		17,676	10,000
Guaranteed	(b)	29,162	24,630
		61,838	49,630
Effective interest rate per annum (%)		3.20–4.56	3.85–4.80
Other borrowings:			
Unsecured	(c), (d)	186,098	175,820
Effective interest rate per annum (%)		3.00–24.00	3.00–24.00
Analysed into:			
Bank loans repayable:			
Within one year		41,838	24,730
In the second year		20,000	24,900
		61,838	49,630
Other borrowings repayable:			
Within one year		–	–
In the second year		30,220	7,400
In the third to fifth years, inclusive		142,100	168,420
Over five years		13,778	–
		186,098	175,820
Total bank and other borrowings		247,936	225,450
Portion classified as current liabilities		(41,838)	(24,730)
Non-current portion		206,098	200,720

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

24. INTEREST-BEARING BANK AND OTHER BORROWINGS — *continued*

Notes:

- (a) The Group's bank loans of approximately RMB15,000,000 as at 31 December 2025 (2024: RMB15,000,000) were secured by the Group's assets with net carrying values as follows:

	2025 RMB'000	2024 RMB'000
<i>Secured by:</i>		
Buildings (note 12)	18,726	19,105

- (b) The Group's bank loans of approximately RMB19,900,000 as at 31 December 2025 (2024: RMB9,900,000) were guaranteed by the Group's management members, Ms. Chen Jianping and her spouse Mr. Chou Lu.

The Group's bank loans of approximately RMB9,262,000 as at 31 December 2025 (2024: RMB14,730,000) were guaranteed by independent third parties.

- (c) The Group's other borrowings of approximately RMB186,098,000 as at 31 December 2025 (2024: RMB175,820,000) were borrowed from several independent third party individuals or companies and bore interest at fixed rates of 3.00%–24.00% (2024: 3.00%–24.00%) per annum.
- (d) Included an amount of RMB114,500,000 in other borrowing was agreed to provide guarantee to the Group in securing the receivables from disposal of property, plant and equipment, and due from former subsidiary (note 19(f)).

25. DEFERRED INCOME

	RMB'000
<i>Government grant</i>	
As at 1 January 2024	4,009
Released to profit or loss (note 5)	(210)
As at 31 December 2024 and 1 January 2025	3,799
Released to profit or loss (note 5)	(210)
As at 31 December 2025	3,589

Deferred revenue represents a government grant received by Jueshi Mining in respect of the cultivated land compensation paid. Such government grant will be released to profit or loss on a straight-line method to match with the amortisation of prepayments in respect of the cultivated land compensation.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

26. PROVISION FOR REHABILITATION

	2025 RMB'000	2024 RMB'000
At the beginning of year	21,847	20,608
Unwinding of a discount (note 6)	1,238	1,239
At the end of year	23,085	21,847

27. DEFERRED TAX

The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

Deferred tax assets

	Accrued expenses RMB'000
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	156

The Group has tax losses arising in Mainland China of RMB228,724,000 (2024: RMB226,292,000) that will expire in 2026 to 2030 (2024: 2025 to 2029) years for offsetting against future taxable profits and deductible temporary differences arising other than Mainland China of RMB71,066,000 (2024: RMB71,066,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

27. DEFERRED TAX – *continued*

Deferred tax liabilities

	Fair value adjustment arising from business combination RMB'000	Excess book value of mining rights over tax amortisation RMB'000	Total RMB'000
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	3,108	5,876	8,984

Pursuant to the income tax rules and regulations in the PRC, a 10% withholding tax is levied on dividends declared to foreign investors by foreign investment enterprises established in the PRC effective from 1 January 2008.

As at 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the directors of the Company, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future (2024: nil).

As at 31 December 2025, there were no unremitted earnings associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

28. SHARE CAPITAL

Shares

	2025 HK\$'000	2024 HK\$'000
Authorised:		
30,000,000,000 ordinary shares of HK\$0.01 each	300,000	300,000
Issued and fully paid:		
1,422,104,625 ordinary shares of HK\$0.01 each (2024: 1,185,094,625 ordinary shares of HK\$0.01 each)	14,221	11,851
Equivalent to approximately	RMB12,809	RMB10,690

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

Issued share capital:

	Number of ordinary shares	Nominal value of ordinary shares RMB'000
As at 1 January 2024	925,874,625	166,551
Issue of shares under share subscription (note (a))	61,720,000	11,186
Issue of shares under share placing (note (b))	197,500,000	2,190
Capital reduction (note (c))	–	(169,237)
As at 31 December 2024 and 1 January 2025	1,185,094,625	10,690
Issue of shares under share placing (note (d))	237,010,000	2,119
As at 31 December 2025	1,422,104,625	12,809

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

28. SHARE CAPITAL — *continued*

Note:

- (a) On 26 January 2024, 61,720,000 new shares were issued under share subscription agreements with the net proceeds of 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 RMB18,544,000.
- (c) On 23 May 2024, the Board 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 a 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 RMB169,237,000 arising from the capital reduction were transferred to the share premium account of the Company.

- (d) On 24 December 2025, 237,010,000 new shares were issued under the placing agreement at the placing price of HK\$0.106 per placing share. The net proceeds are approximately RMB22,167,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 49 of the financial statements.

(a) Share premium

The application of the share premium account is governed by the companies law of the Cayman Islands. Under the constitutional documents and the companies law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

(b) Statutory surplus reserve

In accordance with the company law of the PRC and the respective articles of association of subsidiaries domiciled in Mainland China, each of the PRC subsidiaries is required to allocate 10% of their profit after tax, as determined in accordance with PRC Generally Accepted Accounting Principles ("PRC GAAP"), to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of its registered capital.

According to the articles of association of subsidiaries located in Mainland China, the subsidiaries are required to allocate 10% of their profit after tax in accordance with PRC GAAP to the SSR.

The SSR is non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations. It can be used to offset accumulated losses or capitalised as paid-up capital.

(c) Safety fund surplus reserve

Pursuant to a notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve based on the volume of marble blocks extracted. The safety fund can only be transferred to retained earnings to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

(d) Contributed surplus

The contributed surplus as at the end of the reporting period represents (i) the aggregate amount of RMB33,636,000 of the considerations paid to the former shareholders of Jueshi Mining by Mr. Liu Chuanjia to acquire Jueshi Mining, and (ii) after netting off the distribution to Mr. Liu by the Group on the acquisition of the entire equity interest in Jueshi Mining as part of the reorganisation with the consideration of RMB7,000,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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

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

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

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

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

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of these subsidiaries is as follows:

	RMB'000
Total consideration	100
Less: cash and cash equivalents disposal of	(1,493)
Net cash outflow	(1,393)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

30. DISPOSAL OF SUBSIDIARIES (AND INVESTMENT IN AN ASSOCIATE) – *continued*

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

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

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

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

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of these subsidiaries is as follows:

	RMB'000
Total consideration	100
Less: cash and cash equivalents disposal of	(5)
Net cash inflow	95

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

31. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

	Interest payables	Bank and other borrowings	Lease liabilities	Due to a director
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	16,962	337,810	1,552	138
Changes from financing cash flows	–	(101,360)	(1,035)	643
Non-cash changes:				
Interest paid classified as operating cash flow	(2,642)	–	(65)	–
Interest expenses	14,943	–	65	–
Exchange realignment	–	–	93	–
Waiver of loan principals from loan restructuring	–	(9,000)	–	–
Repayment on behalf by a director	–	(2,000)	–	2,000
As at 31 December 2024 and 1 January 2025	29,263	225,450	610	2,781
Changes from financing cash flows	–	22,486	(551)	(2,781)
Non-cash changes:				
Interest paid classified as operating cash flow	(18,126)	–	(47)	–
Interest expenses	17,043	–	47	–
Exchange realignment	–	–	(59)	–
As at 31 December 2025	28,180	247,936	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

32. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

At 31 December 2025, other loans RMB3,500,000 (2024: RMB3,500,000) were granted by the Group's management members Ms. Chen Jianping with her spouse Mr. Chou Lu.

(b) Balances with related parties

At 31 December 2025, the amounts due from associates were RMB237,000 (2024: RMB150,000).

At 31 December 2025, the amount due to a director (Ms. Wu Jing) was nil (2024: RMB2,781,000).

(c) Compensation of key management personnel of the Group

	2025	2024
	RMB'000	RMB'000
Salaries allowance and other benefits in kind	7,065	6,189
Pension scheme contributions	247	379
Total compensation paid to key management personnel	7,312	6,568

Further details of directors' and the chief executive's emoluments are included in note 8 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2025 RMB'000	2024 RMB'000
Financial assets measured at amortised cost		
Trade receivables	24,332	19,073
Financial assets included in prepayments, other receivables and other assets	57,313	80,133
Restricted deposits	634	634
Cash and bank balances	11,056	16,053
	93,335	115,893

Financial liabilities

	2025 RMB'000	2024 RMB'000
Financial liabilities measured at amortised cost		
Trade payables	17,930	23,278
Lease liabilities	–	610
Financial liabilities included in other payables and accruals	59,242	70,723
Interest-bearing bank and other borrowings	247,936	225,450
	325,108	320,061

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include cash and bank balances, trade receivables, deposits and other receivables, which arise directly from its operations. Financial liabilities of the Group mainly include trade payables, other payables and interest-bearing bank and other borrowings.

Risk management is carried out by the finance department which is led by the Group's senior management. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The board regularly reviews these risks and they are summarised below:

Credit risk

The carrying amounts of cash and bank balances, trade receivables, deposits and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

Substantial amounts of the Group's cash and bank balances are held in major reputable financial institutions located in Mainland China and Hong Kong, which management believes are of high credit quality. The credit risk of the Group's other financial assets, which comprise trade and other receivables and deposits, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group has no other financial assets which carry significant exposure to credit risk.

As disclosed in note 4, the Group sells most of the products to a small number of customers. As a result, it faces a high level of concentration of credit risk. The Group has a contraction of credit risk as 23% (2024: 29%) and 52% (2024: 52%) of the total trade receivables were made up by the Group's largest customers and the five largest customers' outstanding balance respectively. The Group manages this risk by offering a one month credit term to its customers for the sale of self-produced products given the continuing downturn market conditions. In addition, the Group's exposure to credit risk is also influenced by the individual characteristics of each customer and default risk of the industry in which customers operate. In the trading sector, the Group has relatively weak bargaining power regarding sales price and terms of payment as its customers are generally large operators. During the year, the Group generated revenue from sales of self-produced products to other customers. In this regard, the Group is exposed to the concentration of credit risk in the marble industries. The Group maintains strict control over its outstanding receivables and senior management regularly reviews the overdue balances, in addition, the finance department and the sales department confirm the balances of trade receivables every month with customers. In respect of the credit quality of customers, the Group has adopted and will continue to implement a customer appraisal program to review its receivables, assess each customer's credibility and ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that credit risk is significantly reduced.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — *continued*

Credit risk — *continued*

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

Various categories adopted by the Group for the expected loss assessment on the Group's deposits and other receivables are as follows:

Category	Group definition of category	Basis for recognition of ECL provision
Stage 1	Debtors have a low risk of default or there has not been significant increase in credit risk.	12 months expected losses
Stage 2	Receivables for which the credit risk has increased significantly since initial recognition; as significant increase in credit risk is presumed if interest and/or principal repayments are past due more than 30 days to 90 days.	Lifetime expected losses
Stage 3	Interest and/or principal repayments are past due more than 90 days and there is no reasonable expectation recovery.	Lifetime expected losses

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — continued

Credit risk — continued

Maximum exposure and year-end staging — continued

As at 31 December 2025

	12-month	Life time ECLs			Total
	ECLs			Simplified	
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	-	-	-	90,270	90,270
Financial assets included in deposits and other receivables					
— Normal**	1,426	-	-	-	1,426
— Doubtful	-	75,726	-	-	75,726
Restricted deposits					
— Not yet past due	634	-	-	-	634
Cash and cash equivalents					
— Not yet past due	11,056	-	-	-	11,056
	13,116	75,726	-	90,270	179,112

As at 31 December 2024

	12-month	Life time ECLs			Total
	ECLs			Simplified	
	Stage 1	Stage 2	Stage 3	approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	-	-	-	84,074	84,074
Financial assets included in deposits and other receivables					
— Normal**	806	-	-	-	806
— Doubtful	-	92,090	-	-	92,090
Restricted deposits					
— Not yet past due	634	-	-	-	634
Cash and cash equivalents					
— Not yet past due	16,053	-	-	-	16,053
	17,493	92,090	-	84,074	193,657

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – *continued*

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings and its own funding sources.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025					Total undiscounted cash flow RMB'000	Carrying amount RMB'000
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 4 years RMB'000	Over 4 years RMB'000		
Interest-bearing bank and other borrowings	9,262	9,951	22,956	262,293	20,777	325,239	247,936
Trade payables	17,930	-	-	-	-	17,930	17,930
Other payables and accruals	59,242	-	-	-	-	59,242	59,242
	86,434	9,951	22,956	262,293	20,777	402,411	325,108

	2024					Total undiscounted cash flow RMB'000	Carrying amount RMB'000
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 4 years RMB'000	Over 4 years RMB'000		
Interest-bearing bank and other borrowings	9,730	-	15,294	120,032	130,819	275,875	225,450
Trade payables	23,278	-	-	-	-	23,278	23,278
Lease liabilities	-	283	378	-	-	661	610
Other payables and accruals	70,723	-	-	-	-	70,723	70,723
	103,731	283	15,672	120,032	130,819	370,537	320,061

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — *continued*

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank and other borrowings and lease liabilities (see note 24 and 14 for details). The Group is also exposed to cash flow interest rate risk in relation to bank deposit.

At the end of the reporting period, if interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's loss before tax would increase/decrease by RMB1,709,000 (2024: RMB1,501,000) but there would be no impact on the other equity reserves.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The interest rates and terms of repayment of interest-bearing bank and other borrowings are disclosed in note 24.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors.

No changes were made in the objectives, policies or processes for managing financial risks during the year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Note	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Interests in subsidiaries		519,021	693,290
CURRENT ASSETS			
Prepayment and other receivables		161	169
Cash at banks		69	–
		230	169
CURRENT LIABILITIES			
Other payables and accruals		1,805	–
NET CURRENT (LIABILITIES)/ASSETS			
		(1,575)	169
NON-CURRENT LIABILITIES			
Other borrowings		13,778	–
Net assets		503,668	693,459
EQUITY			
Issued capital	28	12,809	10,690
Reserves (note)		490,859	682,769
Total equity		503,668	693,459

Approved and authorised for issue by the board of directors on 30 March 2026.

Tsai Yu Shen
Director

Qiu Yuyuan
Director

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – *continued*

Note:

The movements in the Company's reserves are as follows:

	Share premium account RMB'000	Capital contribution reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at 1 January 2024	1,862,333	223,876	(1,561,816)	524,393
Issue of new shares	15,326	–	–	15,326
Capital reduction	169,237	–	–	169,237
Total comprehensive income for the year	–	–	(26,187)	(26,187)
As at 31 December 2024 and 1 January 2025	2,046,896	223,876	(1,588,003)	682,769
Issue of new shares	20,048	–	–	20,048
Total comprehensive income for the year	–	–	(211,958)	(211,958)
As at 31 December 2025	2,066,944	223,876	(1,799,961)	490,859

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and re-presented as appropriate, is set out below:

RESULTS

	2025 RMB'000	Year ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
REVENUE	73,758	71,596	77,532	89,069	87,976
LOSS BEFORE TAX	(81,091)	(284,991)	(393,096)	(149,377)	(416,207)
Income tax (expense)/credit	(752)	(215)	(3,124)	1,049	(1,686)
LOSS FOR THE YEAR	(81,843)	(285,206)	(396,220)	(148,328)	(417,893)
ATTRIBUTABLE TO:					
Owners of the Company	(81,843)	(285,188)	(396,145)	(148,246)	(417,778)
Non-controlling interests	-	(18)	(75)	(82)	(115)
	(81,843)	(285,206)	(396,220)	(148,328)	(417,893)

	2025 RMB'000	As at 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	772,385	810,692	1,068,849	1,464,092	1,524,429
Current assets	167,533	188,944	267,460	197,048	214,422
Non-current liabilities	241,756	235,350	308,699	352,204	293,069
Current liabilities	157,134	163,582	170,950	179,190	182,549
Total equity	541,028	600,704	856,660	1,129,746	1,263,233
Non-controlling interests	93,583	93,583	93,053	93,142	93,224
Equity attributable to owners of the Company	447,445	507,121	763,607	1,036,604	1,170,009