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ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

**CLARIFICATION AND SUPPLEMENTAL ANNOUNCEMENT
TO THE ANNUAL REPORTS
FOR THE YEARS ENDED 31 DECEMBER 2018 TO 31 DECEMBER 2024**

Reference is made to (i) the annual reports of ArtGo Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the years ended 31 December 2018, 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 respectively published on 29 April 2019, 14 May 2020, 27 April 2021, 12 May 2022, 27 April 2023 and 29 April 2024 (collectively the “**Previous Annual Reports**”), and (ii) the annual report of the Company for the year ended 31 December 2024 published on 24 April 2025 (the “**2024 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Previous Annual Reports and the 2024 Annual Report.

The Board would like to clarify the renewal status of the mining license of the Dejiang Mine as disclosed in the Previous Annual Reports and provide further information in relation thereto.

**CLARIFICATION ON RENEWAL STATUS OF THE MINING LICENSE IN THE
PREVIOUS ANNUAL REPORTS**

The Company previously disclosed in the Previous Annual Reports that the application for further renewal of the mining license of the Dejiang Mine (the “**Mining License**”) was approved by relevant authorities in 2019 and pending the issue of the renewed Mining License, and subsequently in the 2024 Annual Report that it has received a notification (the “**Notification**”) dated 29 December 2024 from the Natural Resource and Planning Bureau (the “**Bureau**”) in Guizhou Province that the Bureau has decided to reject the application for the renewal of the Mining License.

In this regard, the Company would like to clarify that the Group submitted the renewal application (the “**Application**”) of the Mining License to the Bureau in December 2018, and as of February 2019 each of the Bureau and other relevant authorities responsible for approval had given its approval for the making of the Application. Despite the grant of

approval for the Group to make the Application, under the applicable rules and procedures the actual issue and grant of the renewed Mining License was subject to the review process by the Bureau and the further satisfaction of certain conditions.

Accordingly, subsequent to the making of the Application, the Group had been corresponding with the Bureau on the status of the Application and the requirements for satisfying the conditions, which the Group ultimately did not satisfy upon further assessment and evaluation. During such process, the Bureau had never communicated to the Group of the intention to reject the Application, until the issue of the Notification in December 2024.

FURTHER INFORMATION RELATING TO THE RENEWAL OF THE MINING LICENSE

The Company would like to provide further information regarding the circumstances and developments relating to the Application of the Mining License.

The Mining License was due to expire in January 2019, and as set out above the Group submitted the Application to the Bureau in December 2018 and obtained the approval from the Bureau and other relevant authorities for making the Application. During the review process of the Application, the Group had submitted substantially all the documentation required under the Application, except the submission of a comprehensive plan for the protection and restoration of the geological environment associated with the mining operation as required under the guidelines of the Bureau (the “**Plan**”) and the payment of security deposit for the restoration of the geological environment impacted by the intended mining activities, both of which were conditions for the grant and issue of the Mining License. The preparation of the Plan and the security deposit required the allocation of the Group’s financial resources to engage.

Accordingly, since submitting the Application, the Group took active steps to evaluate the Group’s financial position and cash resource allocation to assess whether the Group was able to meet requirements to prepare the Plan and to pay the security deposit, and also maintained communication with the Bureau which acknowledged the Application was ongoing based on which the Board believed and understood that the Application remained extant pending the submission of the Plan and the payment of the security deposit.

However, based on the Group’s assessment during the relevant period after submitting the Application, the Group ultimately considered it to be in the interest of the Company to deprioritize the utilization of its resources towards the Plan and withheld the submission of the Plan after taking into account the following considerations:

- (i) As discussed in the Previous Annual Reports, due to the COVID-19 pandemic, the demand for marble blocks and slabs had been significantly impacted by challenges within the commercial and residential real estate development sectors in China. The reduction in residential real estate development, coupled with a general decline in construction activities, especially within residential and commercial projects, led to a considerable decrease in demand for the Group’s marble products. These factors have collectively had a materially adverse effect on the Group’s overall business, financial condition, and operational results during the relevant period.

- (ii) As a result of the aforementioned impact on the Group's financial condition, the Group also faced constrained cash resources and had to prioritize the application of its cash resources towards its debt repayment obligations, the maintenance of sufficient working capital and towards business with stronger potential to generate cash flow during the relevant period.
- (iii) The stringent lockdown and quarantine measures imposed in mainland China during the COVID-19 pandemic also affected the operations of the Group and thereby caused difficulties for the Group to establish a feasible timeline for conducting the necessary site studies and inspections for the purpose of preparation of the Plan.
- (iv) Accordingly, the Group decided to prioritize allocating resources for the renewal of the mining license of the Yongfeng Mine located in Yongfeng County of Jiangxi Province, which mining license expired on 5 June 2020 and was subsequently renewed to 5 June 2030, which decision was made taking into account, *inter alia*, that (a) Yongfeng Mine was the Group's largest mine with a total proved and probable reserves of approximately 44.0 million cubic meters and an annual permitted production volume of 1.1 million cubic meters (as expanded after the renewal of the mining license), as compared to the Dejiang Mine which had a total indicated and inferred resources of approximately 2.1 million cubic meters; (b) the stronger market acceptance for marbles from the Jiangxi region, as compared to the relatively less known marbles from the Guizhou region which would require additional investment by the Group to market such marbles to its customers with an uncertainty as to the level and pace of acceptance; (c) the large production volume of the Yongfeng Mine would allow the Group to better formulate a more concrete long term business plan; and (d) the Group's then new marble processing facilities were also located in Jiangxi Province such that the focus on Yongfeng Mine which was also in Jiangxi Province would involve less costs associated with transportation and logistics. The Group believed that investment into the Yongfeng Mine would provide better a return to the Group and was a better application of its cash resources.

Taking into account the above considerations, the Group decided it was in the best interest of the Group to dedicate resources towards the Yongfeng Mine which the Group believed had stronger potential to generate cash flow and return for the Group, and this strategic allocation was aimed to ensure the continued and sustainable operations of the Group.

As of the date of this announcement, the Group has since the Notification resubmitted a renewal application for the Mining License, which the Group has not received any negative feedback from the Bureau that the resubmitted application will be rejected on the grounds that the previous Application was unsuccessful. It is the Group's understanding that the submission of the Plan and the payment of the security deposit shall continue to be conditions to the grant and issue of the renewed Mining License, and the Group will continue to monitor the overall business environment and the resources of the Group and evaluate whether it is in the best interest of the Company to commit to satisfaction of such conditions.

The above clarification and additional information do not affect other information contained in the Previous Annual Reports and the 2024 Annual Report and, save as disclosed above, the contents of the Previous Annual Reports and the 2024 Annual Report remain unchanged.

The Company will make further announcement(s) to inform its shareholders and potential investors of any material development on the renewal of the Mining License as and when appropriate.

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

Hong Kong, 11 July 2025

As at the date of this announcement, the executive Directors are Ms. Wu Jing, Mr. Tsai Yu Shen, Mr. Wan Jian and Mr. Qiu Yuyuan; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan.