

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ART GROUP HOLDINGS LIMITED

錦藝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

**SUPPLEMENTAL AGREEMENT
RELATING TO
PROVISION OF LOAN
AND ADVANCE TO AN ENTITY**

Reference is made to the announcements of Art Group Holdings Limited dated 28 April 2021 and 13 May 2021 in relation to the Loan Agreement.

On 19 November 2021 (after trading hours), the Lender, the Borrower, the Guarantor and the New Guarantor entered into the Supplemental Agreement to revise the amount of the Loan and the security to the Loan.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Loan (as revised by the Supplemental Agreement) exceeds 5% but all of them are less than 25%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the financial assistance granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan (as revised by the Supplemental Agreement) is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

Reference is made to the announcements of Art Group Holdings Limited dated 28 April 2021 and 13 May 2021 (the “**Announcements**”) in relation to the Loan Agreement. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Board wishes to announce that on 19 November 2021 (after trading hours), the Lender, the Borrower, the Guarantor and the New Guarantor entered into the Supplemental Agreement to revise the amount of the Loan and the security to the Loan.

SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are set out below:

Date: 19 November 2021 (after trading hours)

Parties:

- (1) the Lender
- (2) the Borrower
- (3) the Guarantor
- (4) the New Guarantor

Principal loan amount: the principal amount of the Loan is revised from RMB250,000,000 (equivalent to approximately HK\$304,878,000) to RMB210,000,000 (equivalent to approximately HK\$256,098,000)

Security:

- (1) the share charge over the 25% equity interests in Zhengzhou Zhongyuan Jinyi Commercial Operation Management Co., Ltd.* (鄭州中原錦藝商業運營管理有限公司) given by the Guarantor (the “**Discharged Equity Interests**”) will be released and discharged within 20 business days after the date of the Supplemental Agreement;

- (2) the New Guarantor agrees to guarantee the Borrower's due performance and payment under the Loan Agreement; and
- (3) other security under the Loan Agreement remains unchanged

Save as amended by the Supplemental Agreement, other terms of the Loan Agreement shall remain valid.

As at the date of the Supplemental Agreement, the outstanding principal amount of the Loan was RMB210,000,000 (equivalent to approximately HK\$256,098,000).

INFORMATION OF THE NEW GUARANTOR

The New Guarantor is a company established in the PRC with limited liability. Its equity interests are held as to 90% by Chen Yirui and 10% by Chen Liangjin. Chen Yirui is the controlling shareholder of the Borrower. The New Guarantor is principally engaged in building decoration engineering.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the New Guarantor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

To the best knowledge of the Directors, the Guarantor plans to realise the Discharged Equity Interests. In light of the change of the security to the Loan, the Lender and the Borrower further negotiated to revise the terms of the Loan Agreement. The parties agreed to revise the principal amount of the Loan to RMB210,000,000 (equivalent to approximately HK\$256,098,000), and with the release of the charge over the Discharged Equity Interests, the New Guarantor agrees to guarantee the Borrower's due performance under the Loan Agreement. The terms of the Supplemental Agreement were negotiated on an arm's length basis and the Directors are of the view that the terms of the Supplemental Agreement are of normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Loan (as revised by the Supplemental Agreement) exceeds 5% but all of them are less than 25%, the entering into of the Supplemental Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the financial assistance granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan (as revised by the Supplemental Agreement) is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Discharged Equity Interests”	has the meaning ascribed to it under the paragraph headed “Supplemental Agreement – Security” of this announcement
“New Guarantor”	Fujian Ruilang Decoration Engineering Co., Ltd.* (福建瑞朗裝飾工程有限公司), a company established in the PRC with limited liability
“Supplemental Agreement”	the supplemental agreement dated 19 November 2021 and entered into by the Lender, the Borrower, the Guarantor and the New Guarantor to amend and supplement the Loan Agreement

By order of the Board
ART GROUP HOLDINGS LIMITED
Chen Jinyan
Chairman

Hong Kong, 19 November 2021

* *For identification purpose only*

For the purpose of illustration only and unless otherwise stated, amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of HK\$1.00 = RMB0.82. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

As at the date of this announcement, the executive Directors are Mr. Chen Jinyan and Mr. Chen Jindong; and the independent non-executive Directors are Mr. Kwan Chi Fai, Mr. Lin Ye, Ms. Chong Sze Pui Joanne and Ms. Wang Yuqin.