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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Art Group Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR TRANSACTION
IN RELATION TO LEASE AGREEMENT

Financial adviser of the Company

中毅資本有限公司
Grand Moore Capital Limited

Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 3 to 19 of this circular.

A notice convening the EGM to be held at Suites 4610-4619, Jardine House, 1 Connaught Place, Central, Hong Kong on Tuesday, 20 January 2026 at 3:00 p.m. or any adjournment of the meeting is set out on pages EGM-1 to EGM-4 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time fixed for holding the EGM (or any adjournment thereof) to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

No beverage or refreshments will be served, and no corporate gifts will be distributed at the EGM.

31 December 2025

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Board"	the board of Directors
"Company"	Art Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to approve the Lease Agreement
"Group"	the Company and its subsidiaries
"HKAS 40"	Hong Kong Accounting Standard 40 – Investment Property
"HKFRS 16"	HKFRS Accounting Standard 16 – Leases
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	24 December 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
"Lease Agreement"	the lease contract dated 27 August 2025 entered into by the Lessor and the Lessee in respect of the Longhu Property (as supplemented by the Supplemental Lease Agreement)
"Lessee"	Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.*(鄭州龍啟翔商業運營管理有限公司) is incorporated in the PRC and a non-wholly-owned subsidiary of the Company
"Lessor"	China Orient Asset Management Co., Ltd. Anhui Branch*(中國東方資產管理股份有限公司安徽省分公司) is a regional office of China Orient Asset Management Co., Ltd., a central state-owned financial enterprise incorporated in the PRC

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longhu Property"	Unit -105, Unit 101, Unit 201 and Unit 529 of Block 1, Longhu Shopping Centre, located at No. 150 Shuanghu Avenue, Longhu Town, Zhengzhou City, Henan Province, the PRC
"PRC"	the People's Republic of China
"PRC Legal Adviser"	Beijing Candor (Zhengzhou) Law Firm
"PRC Legal Opinion"	the legal opinion of the PRC Legal Adviser
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Lease Agreement"	the supplemental lease agreement dated 29 September 2025 with respect to a condition precedent in relation to the EGM to the Lease Agreement
"m^2" or "sq.m."	square meter
"%"	per cent

* *for identification purpose only*

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)

Executive Directors:
Mr. Su Peixin *(Chairman)*
Dr. Wong Ho Yin *(Chief Executive Officer)*
Mr. Yao Linying
Mr. Chen Jinyan

Independent non-executive Directors:
Mr. Chong Hon Wang
Ms. Chuang Yin Lam
Ms. Wang Yuqin

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31 December 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO LEASE AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 29 September 2025 in relation to the Lease Agreement, whereby the Lessee, an indirect non-wholly-owned subsidiary of the Company, entered into a Lease Agreement with the Lessor with respect to the rent of the Longhu Property for a term of 10 years.

The purposes of this circular are to provide the Shareholders with, among other things, further information of the Lease Agreement and the transaction contemplated thereunder and other information as required under the Listing Rules.

LEASE AGREEMENT

The major terms of the Lease Agreement are set out below:

Date : 27 August 2025

Parties : (1) Lessor; and

(2) Lessee

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

Property rented : the Longhu Property

Lease term : 120 months (i.e. 10 years) commencing from 1 July 2025 and expiring on 30 June 2035.

Rental payment : There is no rent-free period.

The rental is as follows:

	-1/F & 5/F of the Longhu Property		**1/F & 2/F of the Longhu Property**			
Rental year	**Rental area** *(m^2)*	**Monthly unit price** *(RMB/m^2)*	**Rental area** *(m^2)*	**Monthly unit price** *(RMB/m^2)*	**Monthly total rent** *(RMB)*	**Aggregate total rent** *(RMB)*
Year 1		14		20	1,094,189.34	13,130,272.08
Year 2		14		23	1,203,206.16	14,438,473.92
Year 3		14		25	1,275,884.04	15,310,608.48
Year 4		17		27	1,427,292.75	17,127,513.00
Year 5	26,243.61	17	36,338.94	28	1,463,631.69	17,563,580.28
Year 6		20		30	1,615,040.40	19,380,484.80
Year 7		20		32	1,687,718.28	20,252,619.36
Year 8		20		33.5	1,742,226.69	20,906,720.28
Year 9		20		37	1,869,412.98	22,432,955.76
Year 10		20		40.5	1,996,599.27	23,959,191.24
Total						**184,502,419.20**

Due to stated-owned background of the Lessor and supply of 4 out of 8 levels of a mall (instead of just 1 or 2 levels of a mall), the Lessor has relatively higher bargaining power on negotiating with management companies on the leasing terms. During the course of negotiation on the Lease Agreement, the Lessor proposed the 10 years rental schedule for the Lessee's consideration. In the property management and sub-leasing industry, the rental schedule between the primary lessor and the lessee (i.e. the property management company) is confidential and is not publicly available for comparison. Accordingly, the Lessee assessed the fairness and reasonableness of the proposed 10 years rental schedule by way of, among others, (i) in the absence of suitable comparable shopping malls nearby the Longhu Property within Longhu Town for comparison purpose, comparison of monthly unit rents of year 1 of the Longhu Property against the prevailing unit rent of another property payable by the Group's fellow subsidiary (which is internally available); (ii) land price comparison between the centre of Zhengzhou City and Longhu Town (in Xinzheng City); and (iii) the expected revenue and associated costs and expenses as a sub-leasing and management company on the Group by entering into the Lease Agreement. On the other hand, majority of the sub-tenancy agreements between the Lessor and the current sub-tenants have a lease term of either 3 years or 5 years. Accordingly, to tenure of 10 years under the Lease Agreement is a reasonable length of tenure to ensure stable management service to be rendered to the sub-tenants.

There are no suitable comparable shopping malls nearby the Longhu Property within Longhu Town of Xinzheng City for comparison purpose. The monthly unit rents of year 1 of (i) basement and 5/F and (ii) (1/F and 2/F) of the Longhu Property, which are RMB14 per sq.m. and RMB20 per sq.m. respectively, were proposed by the Lessor during the course of negotiation. The Lessee has compared the proposed unit rents against the unit rent payable by its fellow subsidiary at basement and 1/F of the shopping mall situated at No. 40 Mianfang West Road, Zhongyuan District, Zhengzhou City, Henan Province, the PRC currently operated by the Group (the "**City Centre Mall**") located in the centre of Zhengzhou City (the "**City Current Unit Rents**") and noted that the proposed unit rents of both (i) basement and 5/F and (ii) (1/F and 2/F) of the Longhu Property are around 13% lower than that of the City Current Unit Rents. There are no recent land transaction records in both Zhengzhou City centre and Longhu Town, therefore, the Lessee analysed the Standard Land Price（基準地價）*(Notes)* of commercial use land of the location of the City Centre Mall and the Longhu Property. The Standard Land Price（基準地價）of commercial use land of the City Centre Mall (which is situated in Grade 4 land zone of Zhengzhou City) is approximately RMB2,280 per sq.m., while that of the Longhu Property (which is situated in Grade 3 land zone of Xinzheng City) is approximately RMB1,890 per sq.m. The Standard Land Price（基準地價）of commercial use land of the Longhu Property is around 17% (the "**Land Price Discount**") lower than that of the City Centre Mall. Based on the Group's property operation team's professional experience, when a shopping mall has a small property size (e.g., less than 40,000 sq.m.), it may be difficult to attract a wide variety of merchants, resulting in a smaller customer base and difficulty to attract top-tier merchants and brands. This makes the shopping mall difficult to operate as the number of visitors (and corresponding the spendings in such mall) is relatively low, and the rental value of such property is more likely to be discounted. Conversely, when a shopping mall has a large property size, it is more conducive to leasing and

operation. A larger number of rentable area attracts more high-quality merchants and brands, resulting in a wider variety of goods and services. This attracts a diverse range of consumers, leading to better tenants and brands, gradually increasing the property management company's rental and management fee income. This also attracts numerous interested property management companies to compete for such quality mall.

The Longhu Property has large floor area and renowned tenants (e.g. Nike, Uniqlo etc), giving the Lessor strong negotiating power in negotiating with interested property management companies. In the presence of numerous interested property management companies competing for the long-term lease contract of such quality mall, the Lessor has stronger negotiating power to set the rental schedule with limited room for interested property management companies to bargain for discount. Given that (i) as discussed above, due to stated-owned background of the Lessor and supply of 4 out of 8 levels of a mall (instead of just 1 or 2 levels of a mall), the Lessor has relatively higher bargaining power on negotiating with management companies on the leasing terms; (ii) the rental schedule was proposed by the Lessor with insignificant room for the Lessee to negotiate; (iii) the Longhu Property is located in Longhu Town of Xinzheng City, which is not the centre of Zhengzhou City, and the aforementioned 13% discount compared to the City Current Unit Rents is slightly less than but comparable to the Land Price Discount; and (iv) the considerations the Group has taken into account in assessing the profitability of the Lease Agreement as discussed below, the Board considers that the monthly unit rents of year 1 of (i) basement and 5/F and (ii) (1/F and 2/F) of the Longhu Property are fair and reasonable.

Notes:

1) The grading of land zone and the Standard Land Price (基準地價) for Zhengzhou City are announced and implemented by the Zhengzhou Municipal People's Government, while those for Xinzheng City are announced and implemented by the Xinzheng Municipal People's Government.

2) The Standard Land Price (基準地價) represents the average price for granting land use rights under normal market conditions, within each piece of land uses category and land zone grades, and subject to specified conditions such as plot ratio.

3) Higher land grades (with Grade 1 being the highest) indicate closer proximity to the most prime location.

4) The more central a location is (with convenient transportation, well-developed community facilities, and strong market demand), the higher the land grade to which it is typically assigned to, and the higher its Standard Land Price (基準地價) will be.

5) Accordingly, differences in Standard Land Prices (基準地價) between two locations reflect variations in attractiveness factors of those locations and, in turn, differences in property prices.

The rental is payable on a quarterly basis before the 10th day of the second month in the relevant quarter.

The increment of the unit price was proposed by the Lessor and finally agreed between the Lessor and the Lessee with reference to the prevailing property market and the expected recovery of and an increase trend in the property prices in the long-term. The Board has also reviewed, among others, (i) the rental agreements between the previous management company and the current sub-tenants; (ii) the current operation and tenant mix of the Longhu Property; and (iii) the historical trend of urban citizen's disposable income per capita in the PRC (from RMB39,251 in 2018 to RMB54,188 in 2024, representing an year-on-year growth of approximately 5.5%).

The Group has considered the benefits to the Group by entering into the Lease Agreement based on, among others, (i) the rent and management income receivable pursuant to rental agreements between the previous management company and the current sub-tenants; (ii) the rent payable to the Lessor pursuant to the proposed 10 years rental schedule; (iii) the Outstanding Rent Assumption (as defined below); and (iv) the relevant operating expense and finance cost over the tenure of 10 years. Taking into account the aforementioned considerations, the Group expects the Lease Agreement is profitable to the Group.

The Directors considered the monthly rent unit price increment is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Lessee has been entering into new sub-lease and management agreement with each sub-tenants of the Longhu Property. As at the Latest Practicable Date, (i) there are 89 sub-tenants of fixed shops and 30 temporary sub-tenants of pop-up stores/booths in the Longhu Property; and (ii) the Lessee has successfully entered into new sub-lease and management agreements with over 97% of the current sub-tenants, while in the course of negotiation of the remaining 3% sub-tenants pending the sub-tenants' internal procedures and execution. The terms of these new sub-lease and management agreements entered into/to be entered into remain substantially identical as those between the previous management company and the current sub-tenants, with the expected monthly rental income receivable under such agreements being approximately RMB2.4 million. Pursuant to each of the new sub-lease and management agreement entered into/to be entered into between the Lessee and the sub-tenants, the Lessee is legally and contractually entitled to receive deposit and rental from the sub-tenants, and has received such deposit from the sub-tenants under the new sub-lease management agreements. The sub-tenants of the Longhu Property will pay its deposit and rental to a bank account of the Lessee (the "**bank account**"). The finance department (財務部) of the Lessee (comprising a Financial Controller (財務總監), Finance and Accounting Manager (財務及會計經理) and a Cashier (出納員)) is responsible for the operation and monitoring of the bank account. The funds in the bank account will first be used to pay the rent and related expenses payable by the Lessee under the Lease Agreement. The remaining fund, after deduction of such rent and related expenses, will be utilised by the Lessee for its operation. As agreed between the Lessee and the Lessor: (i) the original of the business license and the bank account private stamp kept by the Lessor and copy of the business license is kept by the Lessee; (ii) bank account access keys are kept by each of the Lessor and the Lessee; and (iii) the Lessee's company seal (公章), legal representative seal (法人章) and financial seal (財務章) are all kept by the Lessee (the "**Bank Account Joint Custody Arrangement**"). The Bank Account Joint

Custody Arrangement is not a legal requirement but a mutual arrangement proposed by the Lessor. To transfer funds out of the bank account, the finance department（財務部）of the Lessee initiates a payment approval process according to established internal authority and responsibility guidance. After the Financial Controller's approval, the Cashier prepares the bank statement and exports the payment process as a PDF file, then notifies the Lessor's designated reviewer to review. Once the Lessor's designated reviewer verifies the information, the Lessor and the Lessee will proceed to transfer the funds from the bank account via online banking together. In practice, the Cashier, being the document preparer, uses the bank account access key to enter the payment information on the bank's payment interface. The Lessor then confirms the payment using their bank account assess key, after which the funds are disbursed from the bank account. As the access key held by the Lessor cannot initiate any payment request, the Lessor cannot unilaterally use the fund without the Lessee's payment initiation so the Lessor alone cannot withdraw money from the bank account. As per the《中華人民共和國市場主體登記管理條例實施細則》(Implementation Rules for the Regulations on the Administration of Market Entity Registration of the PRC), a market entity (i.e. the Lessee) must display its business license (inclusive of copy of electronic version) at a prominent location within its principal place of business. Based on the above, the Company considers that the Lessor's possession of the original business license of the Lessee would not have any material impact on the Group's operations.

To change the authorization of the bank account access keys or invalidate the bank account private stamp held by either the Lessee or the Lessor, physical presence at the bank with (i) the original of the business licence (kept by the Lessor) and copy of the business license (kept by the Lessee); (ii) the Lessee's company seal（公章)(kept by the Lessee); (iii) the Lessee's legal representative seal（法人章)(kept by the Lessee); (iv) the Lessee's financial seal（財務章)(kept by the Lessee), and (v) the legal representative's PRC identity card (kept by the Lessee) will be required. The arrangement for the Lessor to keep the original business license of the Lessee is a measure to prevent the Lessee from unilaterally violating the Lease Agreement by making the above mentioned changes. Technically speaking, if the Lessee has a plan to willfully violate the Lease Agreement by changing the authorization of the bank account access keys or invalidating bank account private stamp kept by the Lessor, the Lessee can simply apply for invalidating the original business license kept by the Lessor and then re-issuing the business license. Accordingly, the Bank Account Joint Custody Arrangement fosters trust between the Lessor and the Lessee, and will not put the Lessee into a disadvantaged position. The Group has absolute ownership and control over the bank account, and considered that the risk control on misappropriation of assets by third parties is in place and effective under the Bank Account Joint Custody Arrangement.

Due to the business nature of the Lessee (sub-leasing and management of property), rental income and corresponding rental expense are generated simultaneously over the tenure of the Lease Agreement. As discussed earlier, due to stated-owned background of the Lessor and supply of 4 out of 8 levels of a mall (instead of just 1 or 2 levels of a mall), the Lessor has relatively higher bargaining power on negotiating with management companies on the leasing terms. Besides, relevant local policies have explicitly guided and standardized the application of capital supervision accounts (a typical form of joint custody in essence) in the leasing industry, which has promoted the popularization of such arrangements.*(Note)* In addition, due to the unpleasant experience of the Lessor and the previous management company as further discussed below, the Lessor demanded for greater certainty on rent collection during negotiations on the terms of the Lease Agreement. The Bank Account Joint Custody Arrangement is agreed between the Lessor and the Lessee pursuant to the Lease Agreement to ensure the timely settlement of rent and related expenses payable to the Lessor by the Lessee under the Lease Agreement. The Lessor possesses one bank account access key and the bank account private stamp while the Lessee possesses another bank account access key and a number of the Lessee's seals. All online bank transactions will need the Lessee's bank account access key to be the performer and the Lessor's bank account access key to be the approver, and all bank transactions at bank's counters will need the stamp and the seals from both the Lessor and the Lessee. Furthermore, both parties create and maintain a verifiable audit trail for every transaction, linking all payments to their underlying commercial purpose and supporting documentation (e.g., sub-lease agreements, invoices, bills, etc.). Under the Bank Account Joint Custody Arrangement, the Lessor has no access to the Group's assets as the Lessor will never have authority to withdraw funds in the Lessee's bank account in its sole discretion.

Note:

For instance, Zhengzhou has issued the Notice on Further Strengthening the Management of Zhengzhou's Housing Rental Market (implemented since April 2025), requiring housing rental enterprises engaged in sub-leasing business to open special capital supervision accounts. The policy stipulates that enterprises shall not collect rents exceeding 3 months at a time or deposits exceeding 1 month's rent, and all such funds must be placed into the regulatory accounts (jointly managed by housing security authorities and cooperative banks as per subsequent detailed rules).

Although this policy primarily targets residential leasing, its core logic of joint capital supervision (via dedicated accounts co-managed by multiple parties) has been widely referenced in commercial property management and sub-leasing fields (e.g., shopping malls, office buildings). In the PRC residential rental market, due to, among others, the recent economic conditions, numerous cases have emerged of property management intermediaries absconding with end-user tenants' security deposits and rent. Therefore, the government introduced the above mentioned policy to protect both landlords and end-user tenants from losses.

As a result, based on the Group's property operation team's observation, landlords in the PRC commercial property market have adopted this policy's approach to escrow the deposit and rent collected from the sub-tenants. For commercial leasing scenarios, owners, tenants, and banks often adopt similar dedicated supervision accounts through contract agreements (e.g., releasing funds based on rent payment cycles or performance terms), aligning with the risk control framework of Zhengzhou's policy. Such policy guidance has not only standardized the operation of joint custody accounts but also made them a common risk control arrangement for industry entities. It is stated in the Lease Agreement that funds in the Lessee's bank account shall be prioritized for the payment of rental fees and relevant fees payable to the Lessor, with the remaining funds available for the Lessee's use in its ordinary operations.

As at the Latest Practicable Date, bank account joint custody arrangement is yet to be in place for other leased properties of the Group (including the City Centre Mall). The Group expects that lessors of potential leasing properties will demand/propose similar terms in future.

The Lessor will approve and cooperate with the use of funds in the Lessee's bank account for daily business operations, such as paying salaries, purchasing fixed assets, and even distributing dividends to its shareholders, as long as rent to the Lessor is timely settled pursuant to the terms of the Lease Agreement and not owed. In the hypothetical and extreme circumstance where the Lessor does not allow/cooperate to let the Lessee withdraw funds from the bank account despite that the Lessee has fulfilled all of its obligations under the Lease Agreement, the Lessee can apply to the court and sue the Lessor for breach of the Lease Agreement. If the Lessor refuses to cooperate after the court's judgment, the Lessee can apply to the court to unilaterally change the bank account access key and the bank account private stamp kept by the Lessor, thereby allowing the Lessee to reclaim the bank account.

To the Directors' knowledge, in the sub-leasing and management industry, primary lessors normally propose either (i) assigning a rent collection staff to co-work with the lessee's accounting department or, (ii) if the rental area is huge and/or the lessor demands a great certainty of rent collection, custody arrangement similar to the Bank Account Joint Custody Arrangement. The Lessor did not propose the assignment of rent collection staff in the Lessee's Finance Department but the Bank Account Joint Custody Arrangement during the course of the negotiation on the Lease Agreement. The Lessee considered the Bank Account Joint Custody Arrangement acceptable and had not counter-proposed the assignment of rent collection staff by the Lessor. On March 26, 2025, the Zhengzhou Municipal People's Government Office issued the《關於進一步加強鄭州市房屋租賃市場管理工作的通知》(Notice on Further Strengthening the Management of Zhengzhou's Housing Rental Market), which includes arrangements to strengthen the supervision of housing rental transaction funds. This is a policy signal to popularize and promote fund supervision throughout the city, and has led to the Bank Account Joint Custody Arrangement becoming more widespread in the property management and sub-leasing industry. Although approval from the Lessor is required for withdrawal of funds, the Lessee remains the only performer (i.e. the person who initiates the transaction) in all online transaction and all transactions at bank counters will need the stamp and the seals from both the Lessor and the Lessee. The bank account is designated for the Lease Agreement only and the Group will not deposit any fund in the bank account other than the rental income receivable from the sub-tenants.

First, the value of a commercial property is positively correlated with its rental and operational performance. As the owner of the Longhu Property, the Lessor has commercial interest to maintain and increase the Longhu Property's value. Therefore, unless the Lessee violates the terms of the Lease Agreement, the Lessor has no commercial interfere with the Lessee's operations. Second, as a centrally-administered state-owned enterprise, the Lessor possesses the highest national credit background and economic strength among all domestic enterprises in the PRC. Employees of state-owned enterprises are required to strictly abide by regulations and there are extremely serious accountability and responsibility systems in place. Furthermore, the Lessor is a financial institution with an even stronger credit background. The Lessee believes that the Lessor will strictly fulfill the terms of the Lease Agreement. Last but not least, the Lessor only possesses a bank account access key and a bank account private stamp, making it impossible for the Lessor to unilaterally transfer the Lessee's funds from the bank account.

Having considered the above, the Lessee has reasonable grounds to expect that there will not be any disruption from the Lessor in accessing to funds received from sub-tenants for the Group's operation, as a smooth and quality management and operation on the Longhu Property will benefit both the Lessor and the Lessee. There is no reason why the Lessor will disrupt the operation of the Longhu Property, as (i) the Lessor could not enjoy the passive rental income from the Lessee pursuant to the Lease Agreement, and (ii) it takes time for the Lessor to identify another quality and trustworthy property management company. The Board considers that there are sufficient safeguards on the Group's assets. Taking into account the business nature of the Lessee, the aforementioned safeguards on the Group's assets, the reasons for and benefits of the Lease Agreement, the Board considers that the Bank Account Joint Custody Arrangement is fair and reasonable.

Security deposit

Within 10 business days from the date of the Lease Agreement, the Lessee will pay to the Lessor a sum of RMB1,000,000 as security deposit for breach of the Lease Agreement.

Usage

The Longhu Property will be used as commercial leasing, operation and management by the Lessee.

Termination

The Lease Agreement can be terminated upon mutual agreement of the Lessor and the Lessee. The Lessor can terminate the Lease Agreement and take back the Longhu Property if (i) the Lessee fails to pay the rent within 10 days of its due date; (ii) the Lessee on its own abolishes or modifies the structural parts of the Longhu Property; (iii) the Lessee uses the Longhu Property for illegal activities; and (iv) the Lessee fails to rectify any breach as notified by the Lessor.

Condition

Pursuant to the terms of the Supplemental Lease Agreement, the Lessor acknowledges that the Lease Agreement is conditional upon the Shareholders' approval at the EGM.

In the event that the condition of obtaining the Shareholders' approval at the EGM cannot be met, the Company will (i) renegotiate with the Lessor to terminate the Lease Agreement or (ii) dispose of its 70% equity interest in the Lessee (the "**Disposal**") to interested purchaser(s) including but not limit to Zhengzhou Longzhendong Commercial Operation Management Co., Ltd.*(鄭州龍振東商業運營管理有限公司, being the holder of 30% equity interest in the Lessee ("**Zhengzhou Longzhendong**")).

The Company will make an announcement and obtain shareholders' approval when and where required under the Listing Rules with respect to the Disposal or other option taken.

INFORMATION OF THE LONGHU PROPERTY

The Longhu Property is a shopping centre located at Unit -105, Unit 101, Unit 201 and Unit 529 of Block 1, Longhu Shopping Centre, No. 150 Shuanghu Avenue, Longhu Town, Zhengzhou City, Henan Province, the PRC.

As of the Latest Practicable Date, the Longhu Property had been leased to 119 tenants, with approximately 96.9% of the lettable area occupied by retail shops, restaurants, and/or premises used for entertainment and leisure purposes. The Longhu Property offers a wide range of services and goods including KTV, a supermarket and a convenient store, jewelries and watches, beauty, electrical devices shops, international labels for fashion, fitness, lifestyle, casual wear/sport, maternity and baby supplies, kid's paradise, technical learning and restaurants.

Key summary of the PRC Legal Opinion

The Company has engaged the PRC Legal Adviser to provide the PRC Legal Opinion regarding the property interest of the Longhu Property. Key summary of the PRC Legal Opinion is as follows:

a) Due to a debt dispute between the Lessor and the original owner of the Longhu Property, the Lessor applied to the court for compulsory enforcement against the Longhu Property. Through the debt-for-assets procedure during the enforcement proceedings, the Lessor acquired ownership of the Longhu Property. Pursuant to Article 491 of the Supreme People's Court's Interpretation on the Application of the Civil Procedure Law of the PRC, when an auction is successfully concluded or a court, in accordance with statutory procedures, rules to offset a debt with assets, ownership of a property transfers at the time the auction confirmation ruling or the debt-offset ruling is delivered to the buyer or to the creditor accepting the asset in satisfaction of the debt. Accordingly, the Lessor acquired the ownership of the Longhu Property on 23 December 2024.

b) In accordance with Article 19 of the Implementation Rules of the Interim Regulations on Real Estate Registration, the Lessor may apply for real estate registration unilaterally by presenting the effective legal instrument issued by the People's Court. Therefore, there are no legal obstacles to the registration of changes in property rights, and whether or not such registration is conducted with the registration authority does not affect the change in property rights.

c) Although Article 214 of the Civil Code of the PRC provides that changes in real estate rights take effect upon registration in the real estate registry, the principle that special laws prevail over general laws applies. As the Lessor acquired the Longhu Property through a court ruling under statutory debt-for-assets procedures, the effective date of the property rights transfer is governed by the legal provisions as stated in (a) above. Accordingly, the Lessor's entering into the Lease Agreement to lease the Longhu Property to the Lessee is legal and valid. Pursuant to the Lease Agreement, the Lessee is legally entitled to use the Longhu Property or sublease it to third parties.

INFORMATION ABOUT THE PARTIES

Information about the Group

The Group is principally engaged in property operating business.

Information about the Lessor

To the knowledge of the Directors, China Orient Asset Management Co., Ltd. Anhui Branch*(中國東方資產管理股份有限公司安徽省分公司) is a regional office of China Orient Asset Management Co., Ltd., a central state-owned financial enterprise incorporated in the PRC.

The Lessor operates under the authorization of the State Council of the Peoples's Republic of China(中華人民共和國國務院)and engages primarily in distressed asset management, including the acquisition, restructuring, and disposal of non-performing assets.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lessor and its respective ultimate beneficial owners are independent third parties.

Information about the Lessee

Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.*(鄭州龍啟翔商業運營管理有限公司) is incorporated in the PRC. The primary business is commercial complex operation and management and property management.

The Group indirectly holds 70% shareholding in the Lessee. To the best of the Directors' knowledge, the remaining 30% shareholding in the Lessee is held by Zhengzhou Longzhendong, a company incorporated in the PRC and whose shareholders are five individuals, who are staff of the Group and third parties independent of the Company and its connected persons.

FINANCIAL EFFECT OF THE ACQUISITION OF RIGHT-OF-USE ASSETS

It is expected that upon completion of the transaction under the Lease Agreement, and pursuant to HKFRS 16 and HKAS 40, the Group will recognise right-of-use assets (classified as investment properties in initial recognition in the Group's consolidated financial statements). This will result in an increase in total assets of approximately RMB254 million, reflecting the fair value of the recognised right-of-use assets. Correspondingly, total liabilities will increase by approximately RMB138 million, reflecting the associated lease liabilities.

The Group expects that the transaction will increase finance costs by approximately RMB7 million in the first year of the Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Directors understand that the original landlord of the Longhu Property was indebted to the Lessor and was defaulted in repayment. The Lessor obtained the title and ownership of the Longhu Property by court judgements.

As per the PRC Legal Opinion, the Lessor obtained ownership of the Longhu Property at the time of the court judgement (i.e. 23 December 2024). Accordingly, the Board is of the view that (i) the Lessor has the legal right to enter into the Lease Agreement with the Lessee on 27 August 2025; and (ii) pursuant to the Lease Agreement, the Lessee has the legal right to use the Longhu Property or sub-lease the Longhu Property to third parties.

At the time the Lessor took over the Longhu Property, there were sub-tenants. The Lessor does not have sufficient experiences and resources in managing and operating shopping malls. The Lessor requested the Lessee to operate the Longhu Property. The Lessor and the Lessee therefore entered into a temporary arrangement for a period from 10 May 2025 to 30 June 2025, and during that period, the Longhu Property were leased to the Lessee at a monthly unit price of RMB14/m^2 for the rental area on -1/F and 5/F, the Longhu Property, and RMB20/m^2 for the rental area on 1/F and the 2/F, the Longhu Property, and operated and managed by the Lessee. The outstanding rent of approximately RMB4.2 million (the "**Outstanding Rent**") due and payable by the previous management company from 23 December 2024 to 9 May 2025 will be jointly assumed by the Lessee and the previous management company, an independent third party not connected with the Company and its core connected persons (the "**Outstanding Rent Assumption**"). Despite the Outstanding Rent Assumption, the previous management company remains the debtor of the Outstanding Rent. Save for the Outstanding Rent, the Group will not assume any other liabilities of the previous management company. The maximum exposure of the Lessee will be RMB4.2 million (i.e. 100% of the Outstanding Rent) in the event that the previous management company does not settle any part of the Outstanding Rent. The agreed settlement timetable of the Outstanding Rent is as follows:

Time of repayment	**Amount (approx.) (RMB thousands)**	**Status of the payment**
September 2025	1,190	Paid by the Lessee
By 30 December 2025	755	Paid by the Lessee
By 30 June 2026	755	Pending payment by the previous management company and/or the Lessee
By 30 December 2026	755	
By 30 June 2027	755	
	4,210	

The Outstanding Rent Assumption is one of the agreement terms demanded by the Lessor during the course of negotiation of the Lease Agreement. The Group has prepared a financial analysis on the Group by entering into the Lease Agreement with the Outstanding Rent Assumption based on, among others, (i) the rent and management income receivable pursuant to rental agreements between the previous management company and the current sub-tenants; (ii) the rent payable to the Lessor pursuant to the Lease Agreement; and (iii) the relevant operating expense and finance cost, for the eighteen months period ending 31 December 2026. The Group expects to generate net profit over the aforementioned period from the Lease Agreement. As the tenure of the Lease Agreement lasts for 10 years, the Group expects that the net profit from the sub-leasing and management of the Longhu Property over the tenure of the Lease Agreement will exceed the Outstanding Rent Assumption. In addition, based on the Group's previous experience, if the Lessee commences operation of a shopping mall of similar size and structure from scratch, the estimated startup cost amounts to over RMB8 million (including six months of salary expenses of the operation team and the rent forgone over the rent-free periods and renovation periods offered to each of the tenants). The potential benefits to be derived from the Lease Agreement is expected to outweigh the Outstanding Rent Assumption, the Board considers that the Outstanding Rent Assumption, which is one of the agreement terms demanded by the Lessor, an acceptable, fair and reasonable arrangement.

During the period of the temporary arrangement, the Group provided support to the Lessee through taking over the then existing management personnel of the Longhu Property and has successfully built up a high-quality, experienced property operation team, thereby eliminating the cost and time required for additional recruitment and training. The existing property operations team has established a solid cooperative relationship with the sub-tenants, which supports a continuing and stable operation for the Longhu Property.

Apart from that the Lease Agreement aligns with the Group's business strategic objectives and supports its continued expansion, the Board considered that the Lease Agreement is in the interests of and for the benefit of the Company and its shareholders as a whole for the following reasons:

(i) A team of high-calibre and experienced management staff is already in place on the Longhu Property, eliminating the need and cost for recruitment and training. The Group will instead implement its own operational standards with the existing personnel. Furthermore, the current staff maintain strong tenant relationships, which supports operational continuity and stability.

    To take over the Longhu Property with sub-tenants and a team of experienced management and operational staff significantly reduces the Group's costs associated with recruitment and training, whilst providing immediate operational readiness, enabling business activities to commence without delay or further prerequisites.

(ii) Newly launched leasing projects typically require a year of preparation and offer tenants 3 to 6 months of rent-free periods for interior decoration and fit-out works. In addition to losing rents during the rent-free periods, the Group has to spend and invest on decorations of a new shopping mall and there is significant amount of upfront costs. Despite that the Group has to jointly take up approximately RMB4.2 million due to the Lessor from the previous management company, the Directors are of the view that the costs reduced in leasing the Longhu Property outweigh those in launching a brand new shopping mall project.

Operating a property with existing brand, decorations and tenant base avoids the time and cost of launching a new project, including marketing, promotion and leasing commissions, and provides the benefit of immediate cash flow and tenant relationships.

(iii) Current sub-tenants on the Longhu Property have medium to long-term leases, ensuring stable rental income over the next three years.

Overall, the takeover of the Longhu Property, which already has sub-tenants in place, along with the presence of a mature and experienced property operation team, has significantly reduced the Group's expenditure on manpower development and training. This has enabled the Longhu Property to be swiftly put into operation and allowed business activities to commence immediately without the need to meet other prerequisites of launching a new property operation project.

In view of (i) the presence of an experienced and capable management team already operating the Longhu Property; (ii) the cost savings from recruitment, training, and new project setup; (iii) the immediate commencement of operations; (iv) the stable rental income supported by existing tenants with an average lease term of three years; and (v) the improving macroeconomic conditions in the PRC, the Lease Agreement offers strategic and financial benefits to the Group taken as a whole.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16 and HKAS 40, the entering into of the Lease Agreement by the Lessee will require the Group to recognise the right-of-use assets (classified as investment properties in initial recognition in the Group's consolidated financial statements). Therefore, the entering into of the Lease Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules. It is expected that the fair values of the right-of-use assets recognised by the Group under the Lease Agreement amounted to approximately RMB254 million.

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect of the Lease Agreement exceeds 25%, the entering into of the Lease Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

Set out on pages EGM-1 to EGM-4 of this circular is a notice convening the EGM to be held at Suites 4610-4619, Jardine House, 1 Connaught Place, Central, Hong Kong on Tuesday, 20 January 2026 at 3:00 p.m. or any adjournment of the meeting at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Lease Agreement and the transactions contemplated thereunder. To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, none of the Shareholders has a material interest in the Lease Agreement and the transactions contemplated thereunder and therefore, no Shareholders will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Lease Agreement and the transactions contemplated thereunder. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions will be voted on by way of poll at the EGM and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 15 January 2026 to Tuesday, 20 January 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 14 January 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Tuesday, 20 January 2026.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Lease Agreement is fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION

Your attention is drawn to Appendix I headed "Financial Information" and Appendix III headed "General Information" to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board
Art Group Holdings Limited
Chen Jinyan
Director

* *For identification purpose only*

1. FINANCIAL INFORMATION OF THE COMPANY

The Group's financial information for the years ended 30 June 2023, 2024 and 2025 is disclosed in the following document which has been published on the website of the Stock Exchange (**www.hkexnews.hk**) and the Company (**https://artgroup.etnet.com.hk**):

Annual report of the Company for the year ended 30 June 2023:
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000704.pdf

Annual report of the Company for the year ended 30 June 2024:
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1030/2024103000236.pdf

Annual report of the Company for the year ended 30 June 2025:
https://www1.hkexnews.hk/listedco/listconews/sehk/2025/1030/2025103000473.pdf

2. MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 30 June 2025, the date of the latest audited consolidated financial statements.

3. INDEBTEDNESS

As at 30 November 2025, the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

Lease liabilities

As at 30 November 2025, the Group had outstanding lease liabilities amounting to approximately HK$440,445,000. The weighted average incremental borrowing rates applied to lease liabilities ranged from 2.49% to 6.70%. The lease liabilities were not secured by any form of guarantee, collateral, or third-party assurance.

Bonds

As at 30 November 2025, the Group had two outstanding unlisted and non-transferable bonds with an aggregate principal amount of HK$10,000,000. The bonds bear interest at 8.00% per annum, are unsecured, and are repayable in February 2027.

Amount due to a substantial shareholder

As at 30 November 2025, the Group had an amount due to a substantial shareholder of approximately HK$15,399,000, which was unsecured, interest free and repayable on demand.

Pending litigation and contingent liabilities

Information regarding the Group's pending litigation and contingent liabilities is provided in paragraph "8. PENDING LITIGATION AND CONTINGENT LIABILITIES" of Appendix III to this circular. As at 30 November 2025, other than the matters disclosed therein, there were no other material litigation, arbitration, or contingent liability proceedings involving the Group. The Group and the Company did not have any other significant contingent liabilities.

Disclaimers

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the normal course of business, the Group did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance leases, hire purchases commitments (whether guaranteed, unguaranteed, secured or unsecured), guarantees or other material contingent liabilities at the close of business on 30 November 2025.

Save as aforementioned in this indebtedness statement, to the best knowledge of the Directors, having made all reasonable enquiries, there have been no material changes in indebtedness or contingent liabilities of the Group since 30 November 2025, up to and including the Latest Practicable Date.

4. WORKING CAPITAL

The Directors are satisfied after due and careful consideration and taking into account the present internal financial resources available to the Group and the effect of the transaction under the Lease Agreement, the Group will have sufficient working capital for its requirements for at least the next twelve months from the Latest Practicable Date. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In view of achieving the best interests of the Company and its shareholders as a whole, the Group has been putting effort on developing and expanding its operations of property operating business. Substantial resources have been placed to explore prospects and develop relevant markets.

The Group targets to engage in the provision of rental, management and operating services to more tenants of different kinds of properties in various locations. The Group persists in upgrading the tenants of the leased properties by offering tenancies to more popular brands and diversifying the types of tenants to meet the needs and interests of customers from different ages and backgrounds. To achieve these aims, the Group conducts large-scale marketing and promotion activities in the eastern and western festivals to raise the popularity of the shopping malls, participates in food exchange forums every year by food and beverage suppliers of the industrial park to improve their marketability and professionalism, provides small advertising spaces and spray-painted banners in the industrial park, pays close attention to the business operations, helps key merchants in time and follows closely with market trends to make appropriate management decisions in a timely manner so that a stable and constant stream of income and consistent cash flow can be continuously generated to the Group.

The world keeps changing due to geopolitical tensions, regulatory changes and movable interest rate environment, and the global economy in the coming year would still be highly variable and its pace of recovery from economic uncertainties continues to fluctuate. This poses a tremendous challenge to the Group. Nevertheless, the Group has been striving to use all its resources on hand flexibly to cope with the difficulties and remains committed to navigating the complex geopolitical and economic landscape effectively. By leveraging on the Group's current strategic plan and established strengths, experience and foresight, the Group continues to seize opportunities to penetrate different areas of the property operating market, explore other new market potentials and increase profit margin. Furthermore, the Group will seek to renegotiate existing leases with less favourable terms with property owners to further reduce rental levels.

The Group will continue to deploy its resources on the property operating business including but not limited to (i) apart from the current caliber management and competent employees of its subsidiaries, recruit more candidates with high-caliber and experience in property operating business; (ii) explore suitable properties to expand the Group's property management and operating portfolio; (iii) possible merger and acquisition of asset-light property operating businesses in the PRC so as to further expand the Group's property management and operating portfolio; and (iv) keep implementing conservative and stringent cost control policies to maintain sufficient working capital and alleviate the financial pressure on the property operating business by imposing control over operating costs and capital expenditures and strengthening accounts receivable management.

According to the National Bureau of Statistics, gross domestic product in the first half year of 2025 was approximately RMB66,053.6 billion, representing an increase of approximately 5.3% from the corresponding period in 2024. The PRC government also gradually implemented policies to expand domestic demand for goods and services and promote consumption, which is expected to continue effectively to stimulate consumption potential, in particular household, promote the release of consumer demand, and thereby enhance merchant confidence. The shop leasing market in different cities is expected to continue to recover.

Looking forward, the Group continues to place on its property operating business by enhancing the value and economic returns of the existing leased properties, expanding the properties the Group operates and diversifying the Group's business when and where opportunities arise. By continually capturing opportunities for expansion and diversifying the Group's business with extra prudence in flexibility and efficiency in the management, decision-making and long-term strategy formulation, the market value of the Company and the return to its shareholders will be maximised in the long term.

6. MATERIAL LOAN CONFIRMATION

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Lessor, any of its directors and legal representatives and/or any ultimate beneficial owners(s) of the Lessor who can exert influence on the transactions contemplated under the Lease Agreement; and (b) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent such subsidiary is involved in the transactions contemplated under the Lease Agreement).

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this document received from International Valuation Limited, an independent property valuer, in connection with its valuation as at 31 October 2025 of the property.

INTERNATIONAL VALUATION LIMITED
國 際 評 估 有 限 公 司

International Valuation Limited
Unit 907, 9th Floor, Wing On Plaza
62 Mody Road, Tsim Sha Tsui East
Kowloon, Hong Kong
Tel: 3708 7922

31 December 2025

The Board of Directors
Art Group Holdings Limited（錦藝集團控股有限公司）
31/F, Chinachem Century Tower,
No. 178 Gloucester Road,
Wanchai,
Hong Kong

Dear Sir/Madam,

Re: Longhu Shopping Centre, No. 150 Shuanghu Avenue, Longhu Town, Zhengzhou City, Henan Province, the PRC (the "Property")

INSTRUCTIONS AND VALUATION DATE

In accordance with the instruction from Art Group Holdings Limited (the "**Company**") for us to value the Property held by the Company or its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 31 October 2025 (the "**Valuation Date**") for incorporation of a circular to be issued by the Company.

VALUATION BASIS

Our valuation is carried out on the market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION STANDARDS

In valuing the Property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited. We confirmed that the valuation is undertaken in accordance with the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards issued by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the Property on the open market in its existing state without the benefit of a deferred term contract, atypical financing, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the Property.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the Property valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. Other special assumptions of the Property, if any, have been stated in the notes of the valuation report of the Property.

METHOD OF VALUATION

As the Property is subject to various tenancy agreements and long lease agreements. Income Approach – Term and Reversion Method is adopted in the valuation by capitalisation the rental income derived from the existing various tenancies during the tenancy periods, if any, with due provision for the reversionary potential of each constituent portion of the Property with market rental. During the course of Term and Reversion Method, market rental of the Property is derived by market comparables evidences within the relevant localities.

SOURCES OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, orders, easements, particulars of occupancy, lettings, identification of property, and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the copies of documents or other information provided to us by the Group and are therefore approximations only. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

In the course of valuation, we have relied considerably on the advices given by the PRC legal adviser of the Group, Beijing Candor (Zhengzhou) Law Firm (北京康德(鄭州)律師事務所, the "**PRC Legal Adviser**"), regarding the title to the Property which is located in the PRC.

All legal documents disclosed in this report are for reference only. We accept no responsibility or liability for any legal matters concerning the legal titles to the Property set out in this report.

Unless stated as otherwise, we have assumed that the owner of the Property is entitled to and is in full compliance with, and without contravention of all laws to construct, occupy and use the Property, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this valuation is based, all required licenses, permits, certificates and authorizations have been obtained. We have assumed that the owner of the Property has free and uninterrupted rights to use and dispose of the Property for the whole of the unexpired term of the land use rights.

We have assumed that all consents, approvals and licences from the relevant government authorities for the development of the Property have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

On-site inspection of the Property was carried out on 15 October 2025 by Mr. Jacky Szto who holds a bachelor's degree specialized in property management, under direct supervision of Mr. Vincent Pang, who is the Member of the HKIS (General Practice Division), the Member of the RICS (Valuation) and a Registered Professional Surveyor (General Practice) with extensive experience in valuation of properties in the PRC.

We have not carried out on-site measurements to verify the floor areas of the Property and we have assumed that the areas shown on the copies of the documents handed to us are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

OTHER DISCLOSURE

This valuation is to be used for the purpose stated herein. We are instructed to provide our opinion of value as per the Valuation Date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the Valuation Date and we assume no obligation to update or otherwise revise these materials for events in the time since then.

We, International Valuation Limited, the independent property valuer in respect of this valuation, hereby confirm that we have neither present nor prospective interest in the Group or the value reported. We confirm that we are an independent qualified valuer under the meaning of Rule 5.08 of the Listing Rules.

CURRENCY

Unless otherwise stated, all monetary sums stated in our valuations are in Renminbi ("**RMB**"), the lawful currency of the PRC.

We enclose herewith the valuation report for your attention.

Yours faithfully,
For and on behalf of
International Valuation Limited
Vincent Pang
MHKIS, MRICS, R.P.S. (GP)
Director – Real Estate

Note: Mr. Vincent Pang is the Member of the Hong Kong Institute of Surveyors (General Practice Division), the Member of the Royal Institution of Chartered Surveyors (Valuation) and a Registered Professional Surveyor (General Practice) with over 28 years of experience in property valuation and advisory services in the Greater China region and various overseas countries.

VALUATION REPORT

Property held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 October 2025 *RMB*
Longhu Shopping Centre, No. 150 Shuanghu Avenue, Longhu Town, Zhengzhou City, Henan Province, the PRC	The Property comprises the Basement 1, 1st, 2nd and 5th Floors of a shopping mall known as the "Longhu Shopping Centre, (龍湖購物中心)", with a total gross floor area ("**GFA**") of approximately 62,582.55 sq. m. According to the information provided by the Group, the area breakdown of the Property is listed as follows: **Floor** — **GFA** *(sq. m.)* 5 — 3,517.51 2 — 18,178.98 1 — 18,159.96 -1 — 22,726.10 **Total:** — **62,582.55** The Property was completed on 25 December 2019. According to the information provided by the Group, the land use rights of the Property were granted for a term expiring on 28 May 2053 designated for commercial service use.	According to the information provided by the Group, a GFA of approximately 60,641.29 sq. m. of the Property was subject to various tenancies with the latest expiry date on 28 September 2039 at a total current monthly rental of about RMB2,325,000 (including management and operation fees of about RMB1,691,000), exclusive of value-added tax, as at the Valuation Date. According to the information provided by the Group, a GFA of approximately 1,941.26 sq. m. of the Property was vacant as at the Valuation Date.	254,000,000 (RENMINBI TWO HUNDRED AND FIFTY-FOUR MILLION)

Notes:

1. The Property is located at the intersection of Zhengxin Expressway and Shuanghu Avenue in Nanlonghu New City, Xinzheng City, approximately 30-40 km southeast of Zhengzhou's Central Business District, and is a landmark mixed-use commercial development situated in the South Zhengzhou corridor near the Zhengzhou New Zheng International Airport Economic Zone. The vicinity of the Property has various facilities available, including educational institutions, residential communities, and airport-related services, surrounded by growing commercial and residential developments. Accessibility is considered good as there are various options available for public transport, such as bus routes, with planned metro extensions enhancing connectivity.

   The overall rental market of shopping malls in Zhengzhou has been remaining stable since the beginning of 2025 but with a downward rental trend continuous. With a number of well-known brands, such as Uniqlo and Starbucks, entering the shopping mall market in Zhengzhou, it is likely to increase the demand for shopping mall leasing and bring new vitality and opportunities to the market as at the Valuation Date.

2. Pursuant to four Real Estate Title Certificates issued by Xinzheng City Bureau of Natural Resources and Planning (新鄭市自然資源和規劃局) dated 21 July 2020, the building ownership and land use rights of the Property with the total GFA of approximately 62,582.55 sq. m. completed in 25 December 2019 were granted for a term expiring on 28 May 2053 for commercial service uses with the details as follows:

Certificate No.	**Unit**	**GFA (sq. m.)**	**Floor Located**
Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6025110 (豫 (2020) 新鄭市不動產權第6025110號)	529	3,517.51	5
Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6024947 (豫 (2020) 新鄭市不動產權第6024947號)	201	18,178.98	2
Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6024474 (豫 (2020) 新鄭市不動產權第6024474號)	101	18,159.96	1
Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6025191 (豫 (2020) 新鄭市不動產權第6025191號)	–105	22,726.10	–1
Total:		**62,582.55**	

3. Pursuant to the Lease Agreement – COAMC Wan–FWZL–2025-01 (COAMC皖－FWZL–2025-01, the "**Lease Agreement**") entered between China Orient Asset Management Co., Ltd. Anhui Branch*(中國東方資產管理股份有限公司安徽省分公司, "**China Orient Asset**") and Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.(鄭州龍啟翔商業運營管理有限公司, "**Zhengzhou Longqixiang**") dated 27 August 2025, the property interest of the Property for a term of 10 years commencing on 1 July 2025 had been rented by Zhengzhou Longqixiang at a monthly rental of RMB1,094,189.34, inclusive of value-added tax, for the first year, with a rental increase between 3% to 12% every year thereafter with the details as follows:

Lease Term	Basement 1 and Level 5 Leasable Area *(sq. m.)*	Level 1 and Level 2 Leasable Area *(sq. m.)*	Monthly Rental *(RMB)*	Annual Rental *(RMB)*
Year 1	26,243.61	36,338.94	1,094,189.34	13,130,272.08
Year 2	26,243.61	36,338.94	1,203,206.16	14,438,473.92
Year 3	26,243.61	36,338.94	1,275,884.04	15,310,608.48
Year 4	26,243.61	36,338.94	1,427,292.75	17,127,513.00
Year 5	26,243.61	36,338.94	1,463,631.69	17,563,580.28
Year 6	26,243.61	36,338.94	1,615,040.40	19,380,484.80
Year 7	26,243.61	36,338.94	1,687,718.28	20,252,619.36
Year 8	26,243.61	36,338.94	1,742,226.69	20,906,720.28
Year 9	26,243.61	36,338.94	1,869,412.98	22,432,955.76
Year 10	26,243.61	36,338.94	1,996,599.27	23,959,191.24
Total				**184,502,419.20**

(Note: All amounts listed above are inclusive of value-added tax (tax rate: 9%).*)*

Zhengzhou Longqixiang shall calculate and pay the rent for each calendar quarter to China Orient Asset by the 10th day of the second month of that quarter, specifying the corresponding property area and month for each rent payment. After the Lease Agreement becomes effective, Zhengzhou Longqixiang shall make a lump-sum payment to China Orient Asset by 10 August 2025, covering the rent for the period from 1 July 2025 to 30 September 2025, in the amount of RMB3,282,568.02. Zhengzhou Longqixiang has the option to renew the Lease Agreement by serving a written notice to China Orient Asset six months in advance before the expiry of the Lease Agreement.

4. As instructed by the Company, we have assessed the market value of the property interest rented by Zhengzhou Longqixiang. In the course of our valuation, we have only covered the potential rental income, to be received by Zhengzhou Longqixiang in the lease period of the Lease Agreement, whilst the costs that Zhengzhou Longqixiang is obligated to pay in relation to the Lease Agreement has not been taken into account.

5. Pursuant to the Execution Ruling – (2024) Wan 0124 Zhi Hui 488 Hao Zhi Er (（(2024) 皖0124執恢488號之二）issued by Lujiang County People's Court, Anhui Province(安徽省廬江縣人民法院) dated 23 December 2024, the real estate ownership rights of the Basement 1 and Level 2 of the Property which was identified by two Real Estate Title Certificates – Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6025191(豫 (2020) 新鄭市不動產權第6025191號) and Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6024947(豫 (2020) 新鄭市不動產權第6024947號) mentioned in Note 1 respectively, shall be transferred upon service of this ruling to China Orient Asset. China Orient Asset may present this ruling to the registration authority to handle the relevant procedures for the transfer of property ownership.

6. Pursuant to the Execution Ruling – (2024) Wan 0124 Zhi Hui 508 Hao Zhi Er（(2024) 皖0124執恢508號之二）issued by Lujiang County People's Court, Anhui Province（安徽省廬江縣人民法院）dated 23 December 2024, the real estate ownership rights of Level 1 and Level 5 of the Property which was identified by two Real Estate Title Certificates – Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6024474（豫 (2020) 新鄭市不動產權第6024474號）and Yu (2020) Xin Zheng Shi Bu Dong Chan Quan Di No. 6025110（豫 (2020) 新鄭市不動產權第6025110號）mentioned in Note 1 respectively, shall be transferred upon service of the ruling to China Orient Asset. China Orient Asset may present this ruling to the registration authority to handle the relevant procedures for the transfer of property ownership.

7. We have been provided with a legal opinion regarding the property interests by the Company's PRC Legal Adviser, which contains, *inter alia*, the following:

   a. Due to a debt dispute between China Orient Asset and the original owner of the Property, China Orient Asset applied to the court for compulsory enforcement against the Property. Through the debt-for-assets procedure during the enforcement proceedings, China Orient Asset acquired ownership of the Property. Pursuant to Article 491 of the Supreme People's Court's Interpretation on the Application of the Civil Procedure Law of the People's Republic of China, when an auction is successfully concluded or a court, in accordance with statutory procedures, rules to offset a debt with assets, ownership of a property transfers at the time the auction confirmation ruling or the debt-offset ruling is delivered to the buyer or to the creditor accepting the asset in satisfaction of the debt. Accordingly, China Orient Asset acquired the ownership of the Property on 23 December 2024.

   b. In accordance with Article 19 of the Implementation Rules of the Interim Regulations on Real Estate Registration, China Orient Asset may apply for real estate registration unilaterally by presenting the effective legal instrument issued by the People's Court. Therefore, there are no legal obstacles to the registration of changes in property rights, and whether or not such registration is conducted with the registration authority does not affect the legal effect of the change in property rights.

   c. In the judicial auction process of a property, when the property fails to sell at auction and the People's Court rules to offset debts with the property, this shall be deemed a sale of the property by the judgment debtor. Therefore, the judgment debtor shall pay the land appreciation tax and other applicable taxes in respect of the disposal of the property; the transferee of the Property in debt offset (that is China Orient Asset) shall pay the deed tax.

   d. Pursuant to Article 3 of the Announcement of the Ministry of Finance and the State Taxation Administration on Continuing the Implementation of Relevant Tax Policies Concerning Debt-for-Asset Swaps of Non-performing Debts by Banking Financial Institutions and Financial Asset Management Companies (Announcement No. 35 of 2023), banking financial institutions and financial asset management companies receiving assets in debt offset are exempt from deed tax. China Orient Asset is not required to pay deed tax accordingly.

   e. Although Article 214 of the Civil Code of the People's Republic of China provides that changes in real estate rights take effect upon registration in the real estate registry, the principle that special laws prevail over general laws applies. As China Orient Asset acquired the Property through a court ruling under statutory debt-for-assets procedures, the effective date of the property rights transfer is governed by the legal provisions as stated in Note 7(a). Accordingly, China Orient Asset's execution of the Lease Agreement to lease the Property to Zhengzhou Longqixiang is lawful and valid. Pursuant to the Lease Agreement, Zhengzhou Longqixiang is legally entitled to use the Property or sublease it to third parties.

8. In undertaking our valuation of the market value of the property interest rented by Zhengzhou Longqixiang, we have considered the rentals of retail properties in the vicinity of Longhu Shopping Centre. The comparables are primarily selected based on the following criteria:

(i) the comparables are recent asking rental evidence;

(ii) the comparables are located in the same city and district as Longhu Shopping Centre;

(iii) the comparables are retail units located at shopping mall;

(iv) the comparables have the same usage as the Property; and

(v) the comparables' developments have similar scales as Longhu Shopping Centre.

As the rental transaction record of retail properties in the vicinity of Longhu Shopping Centre is not available in public source, asking rental evidence of retail properties located in the vicinity are selected. These were collected from the search conducted during the valuation progression period of about one week in early December 2025. This one-week window captured all active, representative listings meeting the selection criteria as stated above, ensuring recency to the Valuation Date. Asking listings are inherently transient (e.g., removed upon leasing or withdrawal), so no historical database of expired entries was consulted as such data is unavailable. The available listings represent the existing market level and conditions as of the Valuation Date. The details of the selected comparables which are representative and exhaustive based on the aforesaid selection criteria are tabulated below with relevant adjustments:

	Comparable 1	**Comparable 2**	**Comparable 3**
Development (Chinese)	億佰佳生活廣場	龍湖萬佳商業廣場	龍湖萬佳商業廣場
Development (English)	Yibaijia Life Plaza	Longhu Wanjia Commercial Plaza	Longhu Wanjia Commercial Plaza
Property Address	Longhu Town, Shuanghu Avenue	Longhu Town, Shuanghu Avenue	Longhu Town, Shuanghu Avenue
City	Zhengzhou City	Zhengzhou City	Zhengzhou City
GFA (sq. m.)	40.00	75.00	30.00
Usage	Retail	Retail	Retail
Handover Condition	Furnished	Furnished	Furnished
Asking Date	12/11/2025	19/08/2025	17/08/2025
Asking Rent (RMB/Month)	3,500	7,800	3,000
Asking Unit Rent (RMB/sq. m./Month)	88	104	100

Comparables 2 to 3 are located at Longhu Wanjia Commercial Plaza, centrally positioned in Longhu Town, Xinzheng City, Henan Province. This modern commercial development is similar with Longhu Shopping Centre, featuring a community-oriented design with a mix of retail, dining, and service facilities. The plaza offers contemporary architecture, ample parking, and a vibrant environment with diverse tenants, including clothing boutiques and supermarkets. Situated within 500 meters of key landmarks such as Zhengzhou University of Economics and Business and Henan No. 2 People's Hospital, it benefits from strong transportation links, including bus routes (Xinzheng 323, 12, 15) and proximity to the G30 Lianhuo Expressway.

Comparable 1 is located at Yibaijia Life Plaza in Longhu Town, Xinzheng City, Henan Province. This commercial development is a traditional plaza which offers a comprehensive mix of retail, dining, and daily-life services tailored to local residents. Comparable 1 features a stable tenant composition that includes a major supermarket as its anchor, fashion boutiques and beverage outlets, and various convenience services. Comparable 1 enjoys good accessibility with multiple bus routes stopping nearby, a location close to the suburban metro line – Shuanhu Avenue Station approximately 350 metres away – and convenient connections to Zhongzhou Avenue and the G30 Lianhuo Expressway.

The monthly asking unit rents of the comparables ranged from RMB80 to RMB104 per sq. m. In our valuation, we have considered various attributes between the Property and the comparables, including, but not limited to, the asking nature, location and size, and have made adjustments accordingly. In applying adjustments to the comparables, a downward adjustment would be made to the unit rent of the comparables if it is superior to the subject Property in terms of the aforementioned attributes, and vice versa. Having considered the above adjustments to the comparables, we have arrived a conclusion of an analysed monthly unit rent at RMB89.91 per sq. m. for the valuation of the market value of the property interest rented by Zhengzhou Longqixiang.

Adjustments applied to the considered factors are listed as follows:

Adjustments	
Asking Evidence	-3.0%
Time	0.0%
Location	5.0%
Floor Level	0.0%
Size	-2.1% to -1.8%
Handover Condition	0.0%
Building Quality	0.0% to 2.5%

9. The Term and Reversion Method is a valuation approach that values the property's interest by splitting its income into two components: the term value, the current rental income for a set period, and the reversion value, the property's future value based on the analysed market unit rent after the term. The total value is calculated by finding the present value of both the term income and the reversion, using a yield rate to discount future cash flows to today's value, accounting for time and investment risk.

The calculations of the market value for each unit of the Property involve both the term and reversion. For Term Value, the rental income under the current existing tenancy is discounted to its present value using the following formula.

$$\text{Term Value} = Rt \times \frac{1 - (1 + Yt)^{-Nt}}{Yt}$$

Rt – Monthly rental under existing tenancy × 12

Yt – Yield rate for Term Value

Nt – Number of years between expiry date of existing tenancy and valuation date

For Reversion Value, the analysed market rental is capitalized by the yield rate to estimate the future income potential of the property interest, and discounted to present value as at the valuation date, if necessary. The formula for Reversion Value is as follows.

$$\text{Reversion Value} = \frac{Rm}{Yr} \times (1 + Yr)^{-Nt}$$

Rm – Annual rental based on analysed market rental

Yr – Yield rate for Reversion Value

Nt – Number of years between expiry date of existing tenancy and valuation date

The value of the property interest is the sum of Term Value and Reversion Value. For reference only, consider this example: A property is leased under a tenancy with a remaining lease term of 2.5 years from the valuation date at an annual rental of $10,000. The analysed annual market rent as at the valuation date for the property is $12,000. If the yield rates for Term value and Reversion value are 6% and 6.5% respectively, the market value of the property is calculated as below.

$$\text{Term Value} = 10{,}000 \times \frac{1 - (1 + 0.06)^{-2.5}}{0.06} \approx 22{,}593$$

$$\text{Reversion Value} = \frac{12{,}000}{0.065} \times (1 + 0.065)^{-2.5} \approx 157{,}723$$

Market Value of the Property = 22,593 + 157,723 =180,316

The capitalisation rates are determined by referencing the expected market yields for comparable properties with similar usage types from the published market report. We have also analysed the market yield rate from the market sale and rental comparable and the adopted capitalization rate are considered reasonable and in line with the prevailing market level.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, contains particulars provided in compliance with the Listing Rules to furnish information regarding the Company. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects, not misleading or deceptive, and there are no other matters the omission of which would render any statement herein or this circular misleading.

2. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the businesses of the Group.

4. DOCUMENTS ON DISPLAY

Copy of the Lease Agreement and the Supplemental Lease Agreement will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**https://artgroup.etnet.com.hk**) from the date of this circular up to 14 days thereafter in accordance with the Listing Rules.

5. DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors

As at the Latest Practicable Date, none of the Directors had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange. As at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position 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.

Disclosure of Substantial Shareholders' Interests

As at the Latest Practicable Date, so far as is known to any Directors or chief executives of the Company, the following persons or corporations (other than the Directors or chief executives of the Company) who had, or were deemed or taken to have an interest or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group or had any option in respect of such securities:

Long positions – Ordinary shares of HK$0.01 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
SPR Trust Limited	Trustee of a trust	683,280,000	25.41%
Ms. Lin Lin	Beneficial owner and interest in a controlled corporation *(Note)*	369,100,000	13.73%
Dresdner VPV N. V.	Investment manager	139,755,200	5.20%

Note: Among the 369,100,000 shares, 324,340,000 shares are held by Jinjie Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ms. Lin Lin and 44,760,000 shares are held by Ms. Lin Lin. Ms. Lin Lin is the sister-in-law of Mr. Chen Jinyan.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors, no other person or corporation (other than the Directors) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group or had any option in respect of such securities.

6. DIRECTOR'S INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder.

7. MATERIAL CONTRACT

As at the Latest Practicable Date, the following contract (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be, material:

(i) the Lease Agreement; and

(ii) the Supplemental Lease Agreement.

8. PENDING LITIGATION AND CONTINGENT LIABILITIES

Legal Claim Regarding Corporate Guarantee

On 25 June 2025 and 30 July 2025, respectively, the Company received a writ of summons and statement of claim from MSC Air Cargo SA ("**MSC**") filed in the High Court of the Hong Kong Special Administrative Region. The claim is for a guaranteed sum of US$2,000,000 pursuant to an on-demand corporate guarantee issued by the Company. This guarantee was provided in favor of MSC concerning the obligations under an aircraft charter agreement between MSC and Hainan Hong Kong-Macau Aviation Development & Investment Holdings Limited, a non-wholly-owned subsidiary of the Company.

The Company has obtained legal advice and intends to defend against the claim vigorously. Based on such legal advice and a preliminary assessment, the management believes that the Group has meritorious defenses.

Consequently, the management is of the opinion that the outcome of this litigation will not have a material adverse effect on the Group's financial position or results of operations. No provision for any liability has been made in the audited consolidated financial statements for the year ended 30 June 2025 in respect of this matter.

Judgments For Rental Arrears

Pursuant to the judgment of the People's Court of Zhongyuan District, Zhengzhou City, Henan Province ((2024) Yu 0102 Ming Chu No. 4142*)(河南省鄭州市中原區人民法院(2024)豫0102民初4142號《民事判決書》), Zhengzhou Zhongyuan Jinyi Commercial Operation Management Co., Ltd.*("鄭州中原錦藝商業運營管理有限公司") ("**Zhongyuan Jinyi**"), a wholly-owned subsidiary, was ordered to make the rental payment to the creditor of Zhengzhou Jiachao Property Services Co., Ltd.*("鄭州佳潮物業服務有限公司") ("**Zhengzhou Jiachao**"), the lessor entered into a lease contract dated 26 April 2021 with Zhongyuan Jinyi, amounting to approximately RMB9,864,000. Accordingly, the Group recognised the provision for litigation for this amount.

On 20 June 2025, following the judgment ((2024) Yu 0102 Ming Chu No.19276) issued by the same court(河南省鄭州市中原區人民法院 (2024)豫0102民初19276號《民事判決書》), the appeal case between Zhongyuan Jinyi and the creditor of Zhengzhou Jiachao was concluded. According to the latest judicial ruling, the creditor is entitled to claim rental arrears of approximately RMB14,812,000 from Zhongyuan Jinyi which intends to apply for a retrial to the competent court shortly. Nonetheless, the provision for litigation has been adjusted to reflect this updated amount. As at the Latest Practicable Date, the balance of the provision for litigation stood at approximately RMB14,812,000 (equivalent to approximately HK$16,100,000).

9. EXPERTS AND CONSENTS

The following is the qualification of the expert who had given opinion contained in this circular:

Name	Qualifications
International Valuation Limited	Independent Valuer
Beijing Candor (Zhengzhou) Law Firm (北京康德(鄭州)律師事務所)	PRC Legal Adviser

As at the Latest Practicable Date, the experts above did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or had any interest, either direct or indirect, in any assets which had been since 30 June 2025 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the experts above has given and has not withdrawn its written consent to the issue of this circular with the respective reports, letters and references to their names in the form and context in which they are included.

10. MISCELLANEOUS

(a) The company secretary of the Company is Ms. Yeow Mee Mooi, who is a member of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of CPA Australia.

(b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(c) This circular has been prepared in both English and Chinese. In the event of discrepancies, the English text of this circular shall prevail over the Chinese text.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of Art Group Holdings Limited (the "**Company**") will be held at Suites 4610-4619, Jardine House, 1 Connaught Place, Central, Hong Kong on Tuesday, 20 January 2026 at 3:00 p.m. or any adjournment of the meeting for the following purposes:–

ORDINARY RESOLUTION

"**That**

(a) the lease agreement dated 27 August 2025 (as amended and supplemented) entered into by China Orient Asset Management Co., Ltd. Anhui Branch*(中國東方資產管理股份有限公司安徽省分公司)as the lessor and Zhengzhou Longqixiang Commercial Operation Management Co., Ltd.*(鄭州龍啟翔商業運營管理有限公司)as the lessee in respect of the property located at Unit -105, Unit 101, Unit 201 and Unit 529 of Block 1, Longhu Shopping Centre, located at No. 150 Shuanghu Avenue, Longhu Town, Zhengzhou City, Henan Province, the People's Republic of China for a lease period of 10 years commencing from 1 July 2025 (the "**Lease Agreement**") (a copy of which has been produced to the meeting marked "A" and signed by the chairman of the EGM for the purposes of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any of the directors of the Company (the "**Director(s)**") be and is hereby authorised to do all such further acts and things, negotiate, approve, agree, sign, initial, ratify and/or execute such further documents, instruments and agreements (whether under common seal or not) and to take all steps and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the Lease Agreement and the transactions contemplated thereunder as he/she may in his/her absolute discretion consider necessary, desirable or expedient to give effect to the Lease Agreement and the implementation of all transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole."

By order of the Board
Art Group Holdings Limited
Chen Jinyan
Director

Hong Kong, 31 December 2025

Registered office:–
P.O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

Principal place of business in Hong Kong:–
31st Floor
Chinachem Century Tower
No.178 Gloucester Road
Wan Chai, Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the EGM of the Company is entitled to appoint one or, if he is holder of more than one share, more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.

2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting or at any adjournment thereof, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

3. The register of members of the Company will be closed from Thursday, 15 January 2026 to Tuesday, 20 January 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM of the Company, all completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 14 January 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Tuesday, 20 January 2026.

4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the EGM of the Company (or any adjournment thereof).

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.

6. If typhoon signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 1:00 p.m. on the date of the EGM but before it has commenced, the EGM will be postponed. The Company will publish an announcement on the HKExnews website of the Stock Exchange at https://www.hkexnews.hk and on the website of the Company at https://artgroup.etnet.com.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

7. Delivery of the form of proxy will not preclude a member from attending and voting in person at the EGM of the Company convened and, in such event, the form of proxy shall be deemed to be revoked.

8. No beverage or refreshments will be served, and no corporate gifts will be distributed at the EGM.

9. The translation into Chinese language of the above notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises the following Directors:

Executive Directors:
Mr. Su Peixin *(Chairman)*
Dr. Wong Ho Yin *(Chief Executive Officer)*
Mr. Yao Linying
Mr. Chen Jinyan

Independent non-executive Directors:
Mr. Chong Hon Wang
Ms. Chuang Yin Lam
Ms. Wang Yuqin