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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MAX HIGH INTERNATIONAL LIMITED

THE DISPOSAL

The Board would like to announce that on 5 October 2026 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which, the Vendor has agreed to sell and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Disposal Company, at the Consideration of HK\$1.

As at the date of this announcement, the Disposal Company is wholly and beneficially owned by the Vendor. As such, upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all of the percentage ratios are less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Disposal and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Completion is subject to the fulfillment of the conditions precedent as set out in the Sale and Purchase Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE SALE AND PURCHASE AGREEMENT

The principal terms and conditions of the Sale and Purchase Agreement are set out as follows:

Date: 5 October 2026 (after trading hours of the Stock Exchange)

Parties: (i) Right Lane International Limited (as Vendor); and
(ii) Chen Wenlan (as Purchaser).

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares free from all Encumbrances.

The Sale Shares represent the entire issued share capital of the Disposal Company as at the date of the Sale and Purchase Agreement and immediately before Completion.

Consideration

The total consideration (the “**Consideration**”) for the Disposal is HK\$1, which shall be paid by the Purchaser to the Vendor or its nominee(s) by way of one or more cheque(s) or cashier order(s) or by way of electronic transfer to the bank account designated by the Vendor upon Completion.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms, after taking into account, among others, (i) the net liabilities position of the Disposal Group; (ii) the past performance of the Disposal Group; and (iii) other factors as set out in the section headed "Reasons for and benefits of the Disposal" in this announcement.

Conditions Precedent

Completion shall be subject to and conditional upon:

- (i) all necessary consents and approvals required to be obtained on the part of the Vendor and the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the representations and warranties given by the Vendor under the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects at Completion; and
- (iii) the representations and warranties given by the Purchaser under the Sale and Purchase Agreement remaining true and accurate and not misleading in all material respects at Completion.

Save for condition (ii) above which may at any time be waived by the Purchaser in writing, and condition (iii) above which may at any time be waived by the Vendor in writing, none of the above conditions precedent are capable of being waived by the parties to the Sale and Purchase Agreement.

If any of the above conditions is not fulfilled (or waived, as the case may be) on or before 5 October 2026 (or such later date as may be agreed between the Vendor and the Purchaser in writing), the Sale and Purchase Agreement shall cease and determine and none of the parties thereto shall have any liabilities and obligations against the other party thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the third Business Day after the date on which all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (as the case may be).

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company and the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group upon Completion.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Company is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Disposal Company is wholly and beneficially owned by the Vendor. It is an investment holding company.

The following diagram illustrates the simplified shareholding structure of the Disposal Company and its operating subsidiaries as at the date of this announcement.



* For identification only

The Disposal Group has been principally engaged in property operating business in the PRC.

Financial Information of the Disposal Group

Set out below is the financial information of the Disposal Group based on the audited consolidated financial statements of the Disposal Group for the year ended 30 June 2026 and the audited consolidated financial statements of the Disposal Group for the year ended 30 June 2025.

	For the year ended	
	30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	24,450	42,481
Loss before taxation	91,991	3,511
Loss after taxation	91,991	242

The total assets, total liabilities and net liabilities of the Disposal Group as at 30 June 2026 according to its audited consolidated financial statements were approximately HK\$187.9 million, HK\$316.6 million and HK\$128.7 million, respectively.

INFORMATION ON THE PARTIES

The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Purchaser

The Purchaser is a merchant.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Disposal Company will cease to be a subsidiary of the Company. As such, the financial information of the Disposal Group will cease to be consolidated into the consolidated financial statements of the Group.

The Group is expected to record a gain (before tax and expenses) of approximately HK\$128.7 million from the Disposal, which is estimated with reference to (i) the Consideration of HK\$1; and (ii) the audited net liabilities of the Disposal Group of approximately HK\$128.7 million as at 30 June 2026. Shareholders should note that the actual financial effect on the Group from the Disposal depends on, among others, the financial position of the Disposal Group at Completion and is subject to final audit.

As only a nominal consideration of HK\$1 is payable by the Purchaser in connection with the Disposal, the Company does not expect to receive any net proceeds from the Disposal.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group is principally engaged in property operating business.

The Company has been evaluating the Group's current businesses strategies with a view to enhancing overall performance. Despite continuous effort to improve its operation, the Disposal Group's property operating business have recorded unsatisfactory financial performance, with consecutive net losses for the three years ended 30 June 2026. At the same time, the Disposal Group recorded net liabilities of approximately HK\$128.7 million as at 30 June 2026, exerting an adverse impact on the Group's overall financial position.

The Disposal enables the Group to rationalise its asset and resource allocation and focus on areas and businesses with stronger growth potential. It also enhances the Group's overall financial flexibility by removing a loss-making business and allowing the Group to redeploy internal resources to support the development of its other existing principal businesses.

In view of the above, the Board (including the independent non-executive Directors) considered that notwithstanding that the Disposal is not in the ordinary and usual course of business of the Group, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms after arm's length negotiation, fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all of the percentage ratios are less than 25%, the entering into of the Sale and Purchase Agreement constitutes a discloseable transaction on the part of the Company under the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Disposal and hence no Director is required to abstain from voting on the relevant resolution(s) of the Board approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

Completion is subject to the fulfillment of the conditions precedent as set out in the Sale and Purchase Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“Company”	Art Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 565)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	a date falling on the third Business Day after the date on which all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (as the case may be)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	has the meaning ascribed thereto in the section headed “THE SALE AND PURCHASE AGREEMENT – Consideration” in this announcement
“Director(s)”	the director(s) of the Company

“Disposal”	the proposed disposal of the Sale Shares by the Vendor to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Disposal Company”	Max High International Limited, being a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement and immediately prior to the Completion
“Disposal Group”	the Disposal Company and its subsidiaries
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation or other encumbrance, priority or security interest or deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Chen Wenlan, being a PRC citizen and merchant and the purchaser to the Sale and Purchase Agreement

“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 October 2026 and entered into between the Vendor and the Purchaser in respect of the Disposal
“Sale Shares”	being 30,000 ordinary shares, representing the entire issued share capital of the Disposal Company, which are legally and beneficially owned by the Vendor as at the date of this announcement
“Shareholders”	holders of the Share(s)
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Art Group Holdings Limited
Su Peixin
Chairman

Hong Kong, 5 October 2026

As at the date of this announcement, the executive Directors are Mr. Su Peixin, Dr. Wong Ho Yin, Mr. Yao Linying and Mr. Du Zhenluan; and the independent non-executive Directors are Mr. Chong Hon Wang, Ms. Chuang Yin Lam and Ms. Wang Yuqin.