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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

PROPOSED GENERAL MANDATE TO ISSUE AND TO REPURCHASE SHARES PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular. A notice convening an annual general meeting of Art Group Holdings Limited to be held at Unit 1603-1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 2 December 2020 at 2:25 p.m. or any adjournment thereof is set forth on pages 14 to 18 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 annual general meeting (or any adjournment thereof) to the office of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE 2020 AGM

To prevent and control the spread of COVID-19, the Company will implement the following precautionary measures at the AGM, including:

- (i) all attendees will be subject to compulsory body temperature checks at the entrance of the AGM venue;
- (ii) all attendees will be required to wear surgical face masks throughout the AGM;
- (iii) maintaining proper distance between seats; and
- (iv) no beverage or refreshments will be served, and no corporate gifts will be distributed at the AGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. The Company reminds the Shareholders that they may exercise their voting rights by appointing the chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person.

Subject to the development of the COVID-19 situation, the Company may implement and/or adjust precautionary measures for the AGM and may issue further announcement(s) on such measures as and when appropriate.

27 October 2020

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Unit 1603-1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 2 December 2020 at 2:25 p.m. or any adjournment thereof;
“Articles”	the articles of association adopted by the Company, and as amended from time to time by resolution of the Shareholders;
“Board”	the board of Directors;
“Chairman”	chairman of the Board;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Art Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its securities listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general mandate to be granted to the Directors at the AGM to allot, issue and otherwise deal with Shares not exceeding 20% of the number of issued Shares as of the date of passing the resolution plus the amount representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate;

DEFINITIONS

“Latest Practicable Date”	20 October 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the number of issued Shares as of the date of passing of such resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Registrar”	the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Shareholder(s)”	the registered holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs; and
“%”	per cent.

LETTER FROM THE BOARD



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. Chen Jinyan (*Chairman*)

Mr. Chen Jindong (*Chief Executive Officer*)

Independent non-executive Directors:–

Mr. Kwan Chi Fai

Mr. Lin Ye

Mr. Yang Zeqiang

Ms. Chong Sze Pui Joanne

Registered office:–

2nd Floor, Century Yard

Cricket Square

P.O. Box 902

Grand Cayman KY1-1103

Cayman Islands

Head office and principal

place of business in Hong Kong:–

Unit 1407, 14th Floor

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

27 October 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATE TO ISSUE AND TO
REPURCHASE SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to:–

- (i) the grant of a general mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the number of issued Shares as at the date of resolution;

LETTER FROM THE BOARD

- (ii) the grant of a general mandate to the Directors to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of resolution; and
- (iii) the re-election of retiring Directors.

II. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the number of issued Shares at the date of passing of the resolution; (ii) to exercise all powers of the Company to repurchase issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares at the date of passing of the resolution; and (iii) to extend the general mandate granted to the Directors as mentioned in (i) above to allot, issue and deal with additional number of Shares representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate shall continue in force during the period ending on the earliest of (a) the date of the next annual general meeting; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its Articles; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

The existing Issue Mandate and the existing Repurchase Mandate granted to the Company by resolutions passed by the Shareholders in a general meeting of the Company on 26 November 2019 will expire at the AGM. As at the Latest Practicable Date, the total number of issued Shares was 2,688,805,163 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date to the date of the AGM, and subject to the passing of the ordinary resolutions approving the Issue Mandate and the Repurchase Mandate, exercising the Repurchase Mandate in full will result in up to 268,880,516 Shares being purchased by the Company, and pursuant to the Issue Mandate, the Directors will be authorised to allot, issue or otherwise deal with up to 537,761,032 Shares, and to the extent the Repurchase Mandate is exercised, plus the additional number of Shares representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate.

Explanatory statement

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant the Repurchase Mandate to the Directors.

LETTER FROM THE BOARD

III. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Chen Jinyan and Mr. Chen Jindong; and the independent non-executive Directors were Mr. Kwan Chi Fai, Mr. Lin Ye, Mr. Yang Zeqiang and Ms. Chong Sze Pui Joanne.

Pursuant to Article 87 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those of who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Article 86(3) of the Articles, any Director appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

Accordingly, Mr. Yang Zeqiang and Ms. Chong Sze Pui Joanne, who being eligible, will retire from office and offer themselves for re-election at the AGM.

The biographical details, interests in the Shares and other information required to be disclosed pursuant to rule 13.51(2) of the Listing Rules of the Directors proposed for re-election at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

IV. AGM AND CLOSURE OF REGISTER OF MEMBERS

A notice convening the AGM to be held at Unit 1603-1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 2 December 2020 at 2:25 p.m. is set forth on pages 14 to 18 of this circular.

The register of members of the Company will be closed from Friday, 27 November 2020 to Wednesday, 2 December 2020 (both days inclusive), during which period no transfer of Shares will be registered, for the purpose of determining the Shareholders who are entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar for registration not later than 4:30 p.m. on Thursday, 26 November 2020.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying 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 the holding of the AGM (or any adjournment thereof) to the Share Registrar. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

V. RECOMMENDATION

The Directors consider that the proposed granting of Issue Mandate and Repurchase Mandate, and re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole and, accordingly, the Directors (including the independent non-executive Directors) recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM in respect thereof.

LETTER FROM THE BOARD

VI. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Your attention is drawn to the information as set out in the appendices to this circular.

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

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

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for your consideration.

LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(a) Shareholders' approval

All proposed purchase of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by the shareholders by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to a specific transaction.

(b) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate number of issued Shares at the date of the passing of the proposed resolution granting the Repurchase Mandate.

As at the Latest Practicable Date, the Company had 2,688,805,163 Shares in issue. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 268,880,516 Shares being repurchased by the Company during the period prior to (i) the next annual general meeting of the Company following the passing of the resolution referred to herein; or (ii) the date by which the next annual general meeting of the Company is required to be held by law or by the Articles; or (iii) the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

(c) Reason for repurchase

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

(d) Funding of repurchase

In repurchasing securities, a company may only apply funds legally available for such purpose in accordance with its constitutional documents and the laws of the jurisdiction in which the Company was incorporated.

The Company is empowered by its memorandum and Articles to repurchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profit that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Cayman Islands laws, the repurchased Shares will remain part of the authorised but unissued share capital.

As compared with the financial position of the Company as at 30 June 2020 (being date of its latest audited accounts), the Directors consider that there would not be a material adverse impact on the working capital or gearing position of the Company if the Repurchase Mandate was to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) of the Company.

(e) Connected parties

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close associates has any present intention to sell Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, nor has he/she undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

(f) Undertaking by Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

(g) Takeovers Code

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders (as defined in the Listing Rules), together with their parties acting in concert (within the meaning of the Takeovers Code) and their respective close associates, were beneficially interested in 1,132,380,000 Shares representing approximately 42.11% of the issued Shares. In the event that the Directors exercise the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interests of the substantial Shareholders, together with their parties acting in concert and their respective close associates, in the Company would be increased to approximately 46.79% of the issued Shares, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors confirm that the Repurchase Mandate will not be exercised to an extent where the amount of Shares held by the public will be reduced to below 25%.

SHARE PURCHASE MADE BY THE COMPANY

During six months preceding the date of this circular, no Shares have been repurchased by the Company.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:–

Month	Price Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2019		
October	0.305	0.270
November	0.250	0.244
December	0.335	0.220
2020		
January	0.280	0.240
February	0.235	0.235
March	0.280	0.199
April	0.215	0.178
May	0.265	0.200
June	0.280	0.196
July	0.235	0.165
August	0.185	0.156
September	0.260	0.151
October (up to the Latest Practicable Date)	0.250	0.228

Note: The information on the share prices is extracted from the official website of the Stock Exchange.

APPENDIX II DETAILS OF RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

The following sets out the details of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles.

1. MR. YANG ZEQIANG

Mr. Yang Zeqiang (楊澤強) (“**Mr. Yang**”), aged 50, is appointed as an independent non-executive Director since September 2012. Mr. Yang obtained a Diploma in Accounting and a Bachelor’s Degree in Accounting from Zhongyuan University of Technology (中原工學院) (formerly known as Zhengzhou Textile Institute (鄭州紡織工學院)) in 1992 and 2005, respectively. Mr. Yang is currently the financial controller of Xuchang Yishui Xincheng Real Estate Development Company Limited (許昌潁水新城房地產開發有限公司).

Mr. Yang has entered into an appointment letter with the Company for a term of one year commencing from 19 September 2020 subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the Articles, Mr. Yang shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Mr. Yang is entitled to a director’s fee of HK\$96,000 per annum, which is determined with reference to the fees paid by comparable companies, time commitment, responsibilities of Mr. Yang and the Company’s performance. Save as disclosed above, the Board is not aware of any matter in relation to Mr. Yang that is required to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the holders of securities of the Company in relation to Mr. Yang’s re-election.

As at the Latest Practicable Date, Mr. Yang held share options for the subscription of 2,080,000 Shares.

2. MS. CHONG SZE PUI JOANNE

Ms. Chong Sze Pui Joanne (張詩培) (“**Ms. Chong**”), aged 47, has been appointed as an independent non-executive Director since December 2016. Ms. Chong is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a Chartered Accountant of the Institute of Chartered Accountants Ontario, Canada and a Certified Public Accountant of the America Institute of Certified Public Accountants. Ms. Chong obtained a Bachelor’s Degree of Commerce from the University of Melbourne in Australia in 1994. Ms. Chong has over 20 years of experience in auditing, taxation and business development.

APPENDIX II DETAILS OF RETIRING DIRECTORS WHO ARE PROPOSED TO BE RE-ELECTED AT THE AGM

Ms. Chong has entered into an appointment letter with the Company for a term of one year commencing from 1 December 2019 subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Pursuant to the Articles, Ms. Chong shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. Ms. Chong is entitled to a director's fee of HK\$120,000 per annum, which is determined with reference to the fees paid by comparable companies, time commitment, responsibilities of Ms. Chong and the Company's performance. Save as disclosed above, the Board is not aware of any matter in relation to Ms. Chong that is required to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the holders of securities of the Company in relation to Ms. Chong's re-election.

Save as disclosed hereof, as at the Latest Practicable Date, and to the best knowledge and belief of the Board, the Directors confirmed that:

- (a) each of Mr. Yang and Ms. Chong is not connected with any Director, senior management, substantial Shareholder or controlling Shareholder of the Company;
- (b) each of Mr. Yang and Ms. Chong has no other interests in the Shares which are required to be disclosed under Part XV of the SFO;
- (c) each of Mr. Yang and Ms. Chong did not hold any other directorships in listed public companies in the last three years;
- (d) there is no information that needs to be disclosed pursuant to any of the requirements as set out in rule 13.51(2)(h) to (v) of the Listing Rules; and
- (e) the Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Directors.

NOTICE OF ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Art Group Holdings Limited (the “**Company**”) will be held at Unit 1603-1604, 16/F Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Wednesday, 2 December 2020 at 2:25 p.m. for the following purposes:–

ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 30 June 2020 and the reports of the directors (the “**Directors**”) and the independent auditor of the Company for the year ended 30 June 2020.
2. (A) To re-elect Mr. Yang Zeqiang as an independent non-executive Director.

(B) To re-elect Ms. Chong Sze Pui Joanne as an independent non-executive Director.
3. To authorise the board of Directors to determine the remuneration of the Directors.
4. To re-appoint the auditor of the Company and to authorise the board of Directors to fix the remuneration of the auditor of the Company.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:–

ORDINARY RESOLUTIONS

5. (A) “**THAT**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible persons of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the number of issued shares of the Company at the date of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

5. (B) “**THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

5. (C) “**THAT** conditional upon Resolutions 5(A) and 5(B) set out above being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 5(B) above shall be added to the number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution 5(A) above.”

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

Hong Kong, 27 October 2020

Registered office:–

2nd Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

Principal place of business in Hong Kong:–

Unit 1407, 14th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any shareholder entitled to attend and vote at the annual general meeting 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 Friday, 27 November 2020 to Wednesday, 2 December 2020 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting 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, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 26 November 2020.
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, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting 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. Delivery of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting of the Company convened and, in such event, the form of proxy shall be deemed to be revoked.
7. The translation into Chinese language of the above notice is for reference only. In case of any inconsistency, the English version shall prevail.
8. To prevent and control the spread of COVID-19, the Company will implement the following precautionary measures at the AGM, including:
 - (i) all attendees will be subject to compulsory body temperature checks at the entrance of the AGM venue;
 - (ii) all attendees will be required to wear surgical face masks throughout the AGM;
 - (iii) maintaining proper distance between seats; and
 - (iv) no beverage or refreshments will be served, and no corporate gifts will be distributed at the AGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. The Company reminds the Shareholders that they may exercise their voting rights by appointing the chairman of the AGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the AGM in person.

Subject to the development of the COVID-19 situation, the Company may implement and/or adjust precautionary measures for the AGM and may issue further announcement(s) on such measures as and when appropriate.