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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)

PROFIT WARNING

This announcement is made by Art Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment on the unaudited condensed consolidated management accounts of the Group for the six months ended 31 December 2022 and the information currently available, it is expected that the Group may record a net loss of not less than HK\$391 million for the six months ended 31 December 2022, as compared to a net loss of approximately HK\$34 million for the six months ended 31 December 2021. The Board believes that such net loss is primarily due to (i) a loss on fair value of the Group’s investment properties incurred for the six months ended 31 December 2022 as a result of the ongoing COVID-19 pandemic spreading across the globe since the beginning of 2020, causing the carrying value of the investment properties continue to drop; (ii) an impairment loss of loan receivable, of which, the loan had been extended one more year after its initial maturity date on 27 April 2022; and (iii) an impairment loss of rental deposits of the Jiachao’s Shopping Mall and the Zone C Shopping Mall.

The Company is still in the process of finalising the interim results of the Group for the six months ended 31 December 2022. The information contained in this announcement is only based on the preliminary assessment by the Board according to the unaudited condensed consolidated management accounts of the Group for the six months ended 31 December 2022 and is subject to finalisation and confirmation by the Company’s auditors and approval by the Board.

Shareholders and potential investors of the Company are advised to refer to the Company's interim results announcement for the six months ended 31 December 2022 to be published before the end of February 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 February 2023

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