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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 consolidated management accounts of the Group for the year ended 30 June 2023 and the information currently available, it is expected that the Group may record a net loss of not less than HK\$680 million for the year ended 30 June 2023, as compared to a net loss of approximately HK\$88 million for the year ended 30 June 2022. The Board believes that such net loss is primarily due to (i) a significant loss on fair value of the Group’s investment properties incurred for the year ended 30 June 2023 as a consequence of the COVID-19 epidemic spreading across the globe since the beginning of 2020, causing the carrying value of the investment properties and the consumption growth continue to drop. In addition, in the first half of 2023, China’s macro-economy has recovered steadily, but the foundation for recovery is not yet solid. The recovery of the real estate market has not been as good as expected. Some real estate companies still have financial pressure. Under the influence of multiple factors, the supply and demand ends of the commercial real estate market are still weak; and (ii) an impairment loss of loan receivable, of which, the loan had been expired after its revised maturity date on 27 April 2023.

The information contained in this announcement is only based on the Company’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 30 June 2023 and the information currently available to the Company and is not based on any figure or information that has been audited by the independent auditor of the Company nor reviewed by the audit committee of the Board. Shareholders and potential investors are advised to take careful consideration of the Company’s announcement regarding the financial results for the year ended 30 June 2023, which is expected to be published before the end of September 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, 25 September 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.*