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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus 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 ArtGo Holdings Limited, you should at once hand this Prospectus to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, this Prospectus and the PAL should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



### ARTGO HOLDINGS LIMITED

雅高控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3313)**

## RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

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Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the Company's constitutional documents, the applicable laws in Hong Kong and the Cayman Islands and the Listing Rules, there is no requirement for a minimum subscription level in respect of the Rights Issue. Nevertheless, the Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be Monday, 30 October 2023). If the conditions of the Rights Issue are not fulfilled at or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Shares have been dealt in an ex-rights basis from Tuesday, 19 September 2023. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 3 October 2023 to Tuesday, 10 October 2023 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled (which is currently expected to be 5:00 p.m. on Monday, 30 October 2023) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The Latest Time for Acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 13 October 2023. The procedures for acceptance and payment and/or transfer are set out on pages 14 to 15 of this Prospectus.

28 September 2023

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## EXPECTED TIMETABLE

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Set out below is the expected timetable for the Rights Issue which is for indicative purposes only and is subject to change. It has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

<b>Events</b>	<b>Date and Time</b>
Despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only.....	Thursday, 28 September 2023
First day of dealings in nil-paid Rights Shares .....	Tuesday, 3 October 2023
Latest time for splitting of PAL.....	4:30 p.m. on Thursday, 5 October 2023
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 10 October 2023
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain .....	4:00 p.m. on Friday, 13 October 2023
Latest time for acceptance and payment for the Rights Shares .....	4:00 p.m. on Friday, 13 October 2023
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements .....	Thursday, 19 October 2023
Commencement of the placing of Unsubscribed Rights Shares by the Placing Agent .....	Friday, 20 October 2023
Placing Long Stop Date.....	Friday, 27 October 2023
Announcement of the allotment results of the Rights Issue to be published on the websites of the Stock Exchange and the Company .....	Friday, 3 November 2023
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place .....	Monday, 6 November 2023
Despatch of refund cheques, if any, if the Rights Issue is terminated.....	Monday, 6 November 2023

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## EXPECTED TIMETABLE

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Commencement of dealings in fully-paid Rights Shares ..... 9:00 a.m. on  
Tuesday, 7 November 2023

Payment of Net Gain to relevant

No Action Shareholders (if any) or

Non-Qualifying Shareholders (if any)..... Monday, 13 November 2023

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

### **EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no.8 or above, or “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region or a “black” rainstorm warning:

- (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

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## DEFINITIONS

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*In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:*

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement issued by the Company dated 28 July 2023 in relation to, among others, the Rights Issue and the Increase in Authorised Share Capital
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 25 August 2023 in respect of among others, the Rights Issue and the Increase in Authorised Share Capital
“Company”	ArtGo Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 3313)
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Completion”	completion of the Rights Issue and the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company held on Thursday, 14 September 2023 to consider and, if thought fit, approve the Increase in Authorised Share Capital, the Rights Issue and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the increase in the Company’s authorised share capital from HK\$100,000,000 divided into 500,000,000 Shares to HK\$300,000,000 divided into 1,500,000,000 Shares by creating an additional 1,000,000,000 unissued Shares
“Independent Shareholders”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party (ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and any of its connected persons or any of their respective associates
“Last Trading Day”	4 August 2023, being the last trading day for the Shares on the Stock Exchange immediately prior to the publication of the Supplemental Announcement
“Latest Practicable Date”	20 September 2023, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on 13 October 2023 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares, as described in the Prospectus Documents
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares placed by the Placing Agent under the Placing Agreement) pursuant to the Unsubscribed Arrangements
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) in their assured entitlements, or Non-Qualifying Shareholders (as the case may be)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Letter”	a letter from the Company to the Non-Qualifying Shareholders explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	professional, institutional, corporate or other investor(s), procured by the Placing Agent to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Open Securities Limited, a licensed corporation carrying out type 1 (dealing in securities), type 2 (dealing in future contracts) and type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement

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## DEFINITIONS

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“Placing Agreement”	the placing agreement dated 28 July 2023 (after trading hours of the Stock Exchange) entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements and as amended by the Side Letter, pursuant to which the Placing Agent has agreed to procure places on a best effort basis to subscribe for the Unsubscribed Rights Shares
“Placing Long Stop Date”	27 October 2023, or such other date as may be agreed between the Company and the Placing Agent as the latest date for placing, and payment for, the Unsubscribed Rights Shares under the Placing Agreement
“Placing Period”	the period from 20 October 2023 up to 27 October 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements
“Placing Price”	the placing price of the unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process
“Posting Date”	28 September 2023 or such other date as the Company may announce, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholders”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	27 September 2023, (or such other date as the Company may announce, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined



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## DEFINITIONS

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“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be issued and allotted under the proposed Rights Issue on the basis of two (2) Rights Shares for every one (1) existing Share in issue on the Record Date, being 617,249,750 Shares based on the Company’s issued share capital as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Side Letter”	the side letter dated 4 August 2023 executed by the Company and the Placing Agent and expressed to be supplemental to the Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.20 per Rights Share
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Supplemental Announcement”	the announcement issued by the Company dated 4 August 2023 in relation to, among others, the revision of the subscription price and placing price of Rights Issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules

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## DEFINITIONS

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“Unsubscribed Rights Shares” those Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)

“%” per cent

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LETTER FROM THE BOARD

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**ARTGO HOLDINGS LIMITED**

**雅高控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3313)**

*Executive Directors:*

Ms. Wu Jing (*Chairman and  
Acting Chief Executive Officer*)  
Mr. Gu Weiwen (*Vice Chairman*)  
Mr. Zhang Jian  
Mr. Wan Jian

*Non-executive Director*

Mr. Gu Zengcai

*Independent Non-executive Directors*

Ms. Lung Yuet Kwan  
Mr. Hui Yat On  
Mr. Zhai Feiquan

*Registered office:*

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Headquarter and principal  
of business in the PRC*

Room E, 6/F  
No. 728 Yan'an West Road  
Changning District  
Shanghai, PRC

New Material Industrial Park  
Teng Tian Town, Yongfeng County  
Ji'an City, Jiangxi Province, China

*Principal place of business  
in Hong Kong*

Unit 1302, 13/F, Golden Centre  
188 Des Voeux Road Central  
Hong Kong

28 September 2023

*To the Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES  
FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS**

**INTRODUCTION**

References are made to the Announcement, the Supplemental Announcement and the Circular.

On 28 July 2023, the Company proposed to raise gross proceeds of up to approximately HK\$111.10 million (assuming full acceptance of the Rights Issue) by way of a rights issue of up to 617,249,750 Rights Shares at the Subscription Price of HK\$0.18 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date.

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## LETTER FROM THE BOARD

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On 4 August 2023, the Company revised the Subscription Price from HK\$0.18 per Rights Share to HK\$0.20 per Rights Share. Accordingly, the maximum gross proceeds from the Rights Issue had been revised from approximately HK\$111.10 million to HK\$123.45 million.

At the EGM, the resolutions for approving, among other things, the Rights Issue, the Increase in Authorised Share Capital, the Placing and the transactions contemplated thereunder, were duly passed by the Independent Shareholders by way of poll. Ms. Wu Jing, who is an executive Director and is beneficially interest in 2,188,850 Shares, abstained from voting in respect of the proposed resolutions to approve the Rights Issue, the Placing and the transactions contemplated thereunder.

The purpose of this Prospectus is to provide you with, among other things, (i) further information on the Rights Issue; and (ii) other certain financial and other general information of the Group as required under the Listing Rules.

### 1. RIGHTS ISSUE

The terms of the Rights Issue are set out below:

#### **Rights Issue statistics**

Basis of the Rights Issue:	Two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as the close of business on the Record Date
Subscription Price:	HK\$0.20 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	308,624,875 Shares
Number of Rights Shares:	Up to 617,249,750 Rights Shares (assuming there is no change to the total issued share capital of the Company on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue:	Up to 925,874,625 Shares (assuming that no new Shares (other than the Rights Issue) will be allotted and issued on or before the completion of the Rights Issue)
Gross proceeds from the Rights Issue:	Up to approximately HK\$123.45 million before expenses (assuming there is no change to the total issued share capital of the Company on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

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## LETTER FROM THE BOARD

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Assuming there is no change to the total issued capital of the Company on or before the Record Date, 617,249,750 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 200% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 66.67% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon Completion.

As at the Latest Practicable Date, the Company has no outstanding share options, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

### **Undertakings**

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the Latest Practicable Date.

### **Qualifying Shareholders**

The Rights Issue is available to the Qualifying Shareholders only and the Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date be registered on the registers of members of the Company, and not be the Non-Qualifying Shareholders.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company.

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

### **Closure of register of members**

The register of members of the Company were closed from Thursday, 21 September 2023 to Wednesday, 27 September 2023 (both dates inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares were registered during this period.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price of HK\$0.20 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 0.50% to the closing price of HK\$0.2010 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 4.76% to the closing price of HK\$0.2100 per Share as quoted on Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 5.93% to the average closing price of approximately HK\$0.2126 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 13.90% to the average closing price of approximately HK\$0.2323 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) discount of approximately 0.42% to the theoretical ex-rights price of approximately HK\$0.2033 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.2100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 6.50%, which is calculated based on the theoretical diluted price of approximately HK\$0.2072 per Share (as defined under Rule 7.27B of the Listing Rules, taking account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Date); and
- (vii) a discount of approximately 95.17% to the audited net asset value per Share of approximately HK\$4.14 (equivalent to RMB3.66) based on the latest audited consolidated net asset value Group of approximately HK\$1,278,137,798 (equivalent to RMB1,129,746,000) as at 31 December 2022 and the number of Shares in issue as at the Last Trading Day (i.e. 308,624,875 Shares).

The Subscription Price was arrived at after arm's length negotiation with reference to, among other things, the prevailing market price of the Shares and the financial conditions of the Group.

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## LETTER FROM THE BOARD

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As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Rights of the Overseas Shareholders**

The Prospectus Documents are not intended to be, have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue.

As at the Latest Practicable Date, there are a total of 18 Overseas Shareholders with registered addresses situated outside Hong Kong in the PRC and the British Virgin Islands, which are interested in aggregate of 92,400,000 Shares, representing approximately 29.94% of the total number of the issued Shares.

In compliance with the Listing Rules 13.36(2)(a), the Directors have made enquiries with the legal advisers of the PRC and British Virgin Islands on whether or not under the laws of the PRC and British Virgin Islands, the Rights Issue could be extended to the PRC and British Virgin Islands Shareholders. The legal advisers to the Company as to the PRC laws and British Virgin Islands laws are of view that there are no legal restrictions in the PRC or British Virgin Islands which prohibit the PRC or British Virgin Islands Shareholders from receiving the Rights Shares under the Rights Issue; and there are no requirements of any relevant regulatory body in the PRC or British Virgin Islands that limits the right of the PRC or British Virgin Islands Shareholder to receive the Rights Shares under the Rights Issue. Accordingly, the extension of the Rights Issue to the PRC and British Virgin Islands Shareholders and the offering of the Rights Shares to them will not violate any applicable law or regulations in PRC

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## LETTER FROM THE BOARD

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or British Virgin Islands. It is the responsibility of the PRC and British Virgin Islands Shareholders to observe the local legal and regulatory requirements applicable to them in their own jurisdiction for taking up and onward sale (if applicable) of the Rights Shares including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdictions in connection with the taking up and onward sale of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the PRC and British Virgin Islands Shareholders, and the PRC and British Virgin Islands Shareholders shall therefore be Qualifying Shareholders.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any unsold entitlement of Non-Qualifying Shareholders to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will, if possible, be placed by the Placing Agent under the Unsubscribed Arrangements to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

### **No fractional entitlement**

On the basis of the entitlement to subscribe two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.



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## LETTER FROM THE BOARD

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### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the board lots of 10,000 Rights Shares.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty, (ii) the Stock Exchange trading fee, (iii) SFC transaction levy and (iv) any other applicable fees and charges in Hong Kong.

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Monday, 6 November 2023.

If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Monday, 6 November 2023 by ordinary post at the respective Shareholders' own risk.

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## LETTER FROM THE BOARD

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### **Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares**

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Friday, 13 October 2023 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” on the Latest Time of Acceptance in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**ARTGO HOLDINGS LIMITED — PROVISIONAL ALLOTMENT ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”. Such payment will constitute acceptance of the provisional allotment of Rights Shares on the terms of the Prospectus Documents and subject to the memorandum and articles of association of the Company. Any payments for the Rights Shares should be rounded to nearest cent.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Friday, 13 October 2023 (or, under bad weather and/or extreme conditions, such later date and/or time as mentioned in the section headed “Expected Timetable — Effect of Bad Weather and/or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares” on the Latest Time of Acceptance in this Prospectus), whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer all or part of their rights to more than one person (not as joint holders), the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Thursday, 5 October 2023 to the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It

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## LETTER FROM THE BOARD

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should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company is not obliged to but may (at its sole and absolute discretion) treat PAL(s) as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete such incomplete PAL(s) at a later stage.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Qualifying Shareholders must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to such applicant only if the overpaid amount is HK\$100 or above.

No receipt will be given in respect of any PAL and/or relevant application monies received. If any of the conditions of the Rights Issue as set out in the section headed "Letter from the Board — The Rights Issue — Conditions of the Rights Issue" is not fulfilled at or before 5:00 p.m. on Monday, 30 October 2023 (or such later date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Monday, 6 November 2023.

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## LETTER FROM THE BOARD

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### **Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules.

### **Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements**

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

On 28 July 2023, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares to independent placees on a best effort basis. Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 27 October 2023, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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## LETTER FROM THE BOARD

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Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Non-Qualifying Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

### **The Placing Agreement**

Principal terms of the Placing Agreement are summarized as below.

- Date : 28 July 2023
- Issuer : The Company
- Placing Agent : Open Securities Limited

As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

- Placing Period : The period from 20 October 2023 up to 4:00 p.m. on 27 October 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangements.
- Placing Price : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the placement process.
- Placing commission : Subject to the completion of the Placing, the Company shall pay the Placing Agent a placing commission, being 1.0% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares which are successfully placed by the Placing Agent

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## LETTER FROM THE BOARD

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Placees : The Placing Agent shall procure that not less than six placees will take up the Placing Shares. The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

In any event if the number of placee(s) is less than six, the Company shall complete the Placing and disclose the identity of such placee(s) in accordance with the applicable Listing Rules.

Ranking of the Unsubscribed Rights Shares : The placed Unsubscribed Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing.

Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:

- i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
- ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- iii) Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

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## LETTER FROM THE BOARD

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The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

### Termination

- : If any of the following events occur at any time prior to 6:00 p.m. on the first Business Day after the last day of the Placing Period (the “**Placing Long Stop Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:
- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or



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## LETTER FROM THE BOARD

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- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

The Unsubscribed Arrangements are in compliance with the requirements under Rule 7.21(1)(b) under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) given that the Unsubscribed Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to such placing will be borne by the Company.

The Placing Agent confirms that it is an Independent Third Party. The terms of the Placing Agreement, including the placing commission, were determined after an arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangements will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Independent Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM THE BOARD

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Given that the Company has put in place the Unsubscribed Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

### Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions:

- (1) the passing of ordinary resolution(s) by the Shareholders at the EGM approving the Increase in Authorised Share Capital;
- (2) the passing of the necessary resolutions by the Shareholders (or as the case may be, the Independent Shareholders) at the EGM approving, among other things, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (3) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange of a certificate authorizing registration of the Prospectus Documents with the Registrar of Companies in Hong Kong, and the filing and registration with the Registrar of Companies in Hong Kong one duly certified copy of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having being approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (4) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (5) the grant of listing of the Rights Shares by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights and the Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (6) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and
- (7) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 5:00 p.m. on Monday, 30 October 2023 (or such later date as the Company may determine), the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (1) and (2) above have been fulfilled.

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## LETTER FROM THE BOARD

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### REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The net proceeds of the Rights Issue are estimated to be up to approximately HK\$121.15 million after the deduction of all estimated expenses (assuming full acceptance of the Rights Issue and assuming that no new Shares will be allotted or issued on or before the Record Date).

The Company intend to apply the net proceeds as follows: as to (i) approximately HK\$110.00 million for repayment of loans and other payables of the Group; and (ii) approximately HK\$11.15 million as general working capital of the Group, in which approximately HK\$4.10 million for salaries expenses, approximately HK\$4.10 million for purchase of raw materials, approximately HK\$2.05 million for professional fees and HK\$0.90 million for daily operation expenses. In the event that there is an under subscription of the Rights Issue and Placing, the net proceeds of the Rights Issue and Placing will be allocated and utilised in accordance with the same proportion to the above basis.

The Directors consider fund-raising for additional working capital is key although, on 13 June 2023, a total of 46,000,000 new Shares were successfully allotted and issued at the subscription price of HK\$0.280 per subscription share (the “**Subscription**”) and the net proceeds from Subscription, after deducting commission and other expenses incidental to the Placing, amounted to approximately HK\$12.83 million which were intended to be used for repayment of part of the Group’s current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any investment opportunities in payment related business as identified by the Group from time to time.

As disclosed in both the annual reports of the Company for the year ended 31 December 2021 and 31 December 2022, the Group had experienced a challenging operating environment in view of the impact from the COVID-19 pandemic and the severe political tension between the United States and the PRC which still continue creating a significant impact on the PRC economy. As disclosed in the interim report for the 6-month ended 30 June 2023, even though the PRC government had removed all the strict control measures for the COVID-19 pandemic in the first half of 2023, the severe political tension between China and US was still continuingly creating a significant impact on the PRC economy and the global economy. What was even worse, the war between Russia and Ukraine commenced in February 2022 has been posing tremendous uncertainties and potential risks to the global and local business environment. As such, the economic recovery in the PRC in the first half of 2023 was weaker than what was originally expected. The Group’s marble stone products business is part of the supply chain of the real estate construction sector, which, to a large extent, has not been fully recovered from the pandemic (and so as the overall business of the Group). During the years of 2021 and 2022 and the 6-month ended 30 June 2023, property developers in the PRC were still facing severe liquidity problems. As such, instead of developing new projects, most property developers were focusing on clearing up their inventory by discounted sales, seeking new refinancing opportunities and negotiating with existing creditors for debt restructuring. Since the Group’s revenue was mostly derived from customers based in the PRC, these factors in aggregate led to a large extent of impact on the overall business performance of the Group.

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## LETTER FROM THE BOARD

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As at 30 June 2023, the cash and cash equivalents of the Group amounted to approximately RMB6,134,000 and the interest-bearing bank and other borrowings of the Group amounted to approximately RMB353,848,000.

The above challenging operational environment had led to ongoing cash net outflow of the Group since 2020. Taking into account that the larger part of the proceeds from Subscription has already been used by the Group for repayment loans and other payables, the Directors consider it is prudent and in the interests of the Company and the Shareholders as a whole to raise additional fund for repayment of loans and other payables, and for general working capital of the Group, so that the Group has sufficient financial resources to meet the financial obligations when they fall due in the following 18–24 months from the date of the Announcement.

In the event that the proceeds raised by the Rights Issue or Placing is less than the aforesaid estimated net proceeds of approximately HK\$121.15 million, the Company will further evaluate options including amongst others, reducing the proposed amount of repayment of loans and other payables, renewing and/or refinancing existing loans or exploring other financing, and/or fund-raising alternatives. The Group's is minded to improve its profitability and alleviate the repayment pressure by, among other things, lowering liabilities and finance costs.

### **Other fund-raising alternatives**

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placings will dilute the interests of the Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted.

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## LETTER FROM THE BOARD

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### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date:

<b>Date of relevant announcements</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the Latest Practicable Date</b>
5 May 2023 and 13 June 2023	Subscription of new shares under general mandate	HK\$12.83 million	Repayment of part of the Group's current debt, where to the extent that any part of the net proceeds is not applied for such purpose, such proceeds are intended to be applied for general working capital of the Group and/or any Investment opportunities in payment related business as identified by the Group from time to time.	HK\$10.0 million utilised for repayment of the Group's current debt; and  HK\$2.83 million will be utilised as intended in the 2nd half of 2023

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the possible changes in the shareholding structure of the Company arising from the proposed Rights Issue which are for illustrative purpose only.

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Issue in full and there is no change to the total issued share capital of the Company on or before the Record Date; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full and there is no change to the total issued share capital of the Company on or before the Record Date:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full (Note 2)	
	Number of		Number of		Number of	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Ms. Wu Jing (Note 1)	2,188,850	0.71	6,566,550	0.71	2,188,850	0.23
Xu Xiaodong	46,000,000	14.90	138,000,000	14.90	46,000,000	4.97
Placees	—	—	—	—	617,249,750	66.67
Other public Shareholders	260,436,025	84.39	781,308,075	84.39	260,436,025	28.13
<b>Total</b>	<b>308,624,875</b>	<b>100.00</b>	<b>925,874,625</b>	<b>100.00</b>	<b>925,874,625</b>	<b>100.00</b>

Notes:

- Ms. Wu Jing is an executive Director.
- This scenario is for illustrative purpose only. The Company has entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. The Company will take all appropriate steps to ensure that sufficient public float be maintained in compliance with Rule 8.08 of the Listing Rules. In the event that the Rights Issue would result in public float could not be maintained, the Company and/or the Placing Agent will take necessary action to place down the Shares such that sufficient public float could be maintained in compliance with Rule 8.08 of the Listing Rules.

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## LETTER FROM THE BOARD

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### 2. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

### 3. WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this letter.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholders in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

By order of the Board  
**ArtGo Holdings Limited**  
**Wu Jing**  
*Executive Director*

**1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 were disclosed in the annual reports of the Company for the years ended 31 December 2020 (pages 75 to 161), 2021 (pages 51 to 139) and 2022 (pages 50 to 131) respectively. And the financial information of the Group for the 6-month ended 30 June 2023 was disclosed in the 2023 interim report (pages 4 to 23) of the Company. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.artgo.cn](http://www.artgo.cn)). Please refer to the hyperlinks as stated below:

2020 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042701976.pdf>

2021 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0512/2022051200535.pdf>

2022 annual report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702892.pdf>

2023 interim report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0907/2023090700410.pdf>

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 July 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

**(a) Interest-bearing bank and other borrowings**

	<b>At 31 July 2023</b> <i>RMB'000</i>
Bank loans	
— Secured	15,000
— Guaranteed	<u>29,900</u>
	<u>44,900</u>
Other borrowings	
— Secured or guaranteed	12,628
— Unsecured	<u>296,320</u>
	<u>308,948</u>
Total	<u>353,848</u>

**(b) Lease liabilities**

At 31 July 2023, the Group had lease liabilities of approximately RMB2,605,000.

	<b>At 31 July 2023</b> <i>RMB'000</i> (Unaudited)
Amount payable — non-current portion	1,100
Amount payable — current portion	<u>1,505</u>
Total	<u>2,605</u>

**(c) Amount due to a director**

At 31 July 2023, the amount due to a director of approximately RMB7,021,000 are unsecured, interest-free and have no fixed repayment terms.



**(d) Contingent liabilities**

As at 31 July 2023, the Group did not have any material contingent liabilities.

Save as disclosed above, at the close of business on 31 July 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts or other similar indebtedness, lease liabilities or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgage, charges, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL STATEMENT**

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the twelve (12) months from the date of this Prospectus in the absence of any unforeseen circumstances.

**4. MATERIAL ADVERSE CHANGES**

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

**5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the business of mining, processing and sale of marble stones, production and sale of calcium carbonate, and warehousing and logistics.

For the year ended 31 December 2022 (the “**Year 2022**”), the Group's revenue amounted to RMB89.07 million, representing a slight increase of approximately 1.24% when compared to that of approximately RMB87.98 million for last year. The sales of marble stone products contributed 38.7% or approximately RMB34.4 million (2021: 35.6% or approximately RMB31.2 million) to the Group's total revenue. And the sales of calcium carbonate products contributed 59.6% or approximately RMB53.1 million (2021: 62.6% or approximately RMB55.1 million) to the Group's total revenue. For the 6-month period ended 30 June 2023, the Group recorded an operating revenue of approximately RMB31.1 million, representing an increase of 15.6% or approximately RMB4.2 million compared to the corresponding period of the previous year. The sales of marble stone products contributed 8.2% or approximately RMB2.6 million (first half of 2022: 4.1% or approximately RMB1.1 million) to the Group's total revenue. And the sales of calcium carbonate products contributed 91.0% or approximately RMB28.3 million (first half of 2022: 94.6% or approximately RMB25.5 million) to the Group's total revenue.

The Year 2022 was a very tough and challenging year due to the COVID-19 pandemic situations and the severe political tension between China and US, both of which have been bringing a tremendous impact on people's lives and also on the global economy including China. The emergence of different new virus variants and the on-and-off unexpected lockdown of different districts and regions in the PRC during the Year 2022 have increased the challenge to the Group's overall business activities and its operating environments. In the first half of 2023, even though the PRC government had removed all the strict control measures for the COVID-19 pandemic, the severe political tension between China and US was still continuingly creating a significant impact on the PRC economy and the global economy. What was even worse, the war between Russia and Ukraine commenced in February 2022 has been posing tremendous uncertainties and potential risks to the global and local business environment. As such, the economic recovery in the PRC in the first half of 2023 was weaker than what was originally expected.

The Group's marble stone product business is part of the supply chain of the real estate construction sector, which, to a large extent, has not fully recovered from the pandemic (and so as the overall business of the Group). During the Year 2022 and the first half of 2023, property developers in the PRC were facing serious liquidity difficulties. As such, most property developers were focusing on inventory clearing and debt restructuring instead of developing new projects. Under such circumstances, the management of the Group has been operating its business very cautiously during the Year 2022 and the first half of 2023.

Whilst the Group was continually experiencing a challenging time with its marble business, our Group has managed to increase its overall revenue by approximately 1.2% and 15.6% in the Year 2022 and the first half of 2023 respectively. We had actively sought debt restructuring/refinancing opportunities with lower costs and/or longer terms (if available) from non-bank lenders/local partners in the PRC in order to focus more resources on our core business in Jiangxi Province as well as to improve the Group's overall liquidity and reduce financial costs. To improve its overall operation efficiency, we gradually downsized our operations in Xiamen and shifted them to Jiangxi Province (where our Group's largest marble mine, marble stone processing plant and calcium carbonate business were based).

Looking forward to the future, there are still uncertainties and challenges in the PRC and the global economy, particularly, the increasing tension between China and US, and the war between Russia and Ukraine remaining a concern to the business world. The Group will keep monitoring the development of matters affecting the business of the Group and assessing the potential impact on the Group's financial position and operating results and adopt its business plans in response to the ever-changing business environment. Meanwhile, the Group will continue identifying any project or business which is beneficial to the Group and its shareholders as a whole and improving/reducing overall debt levels by the expected new financial resources from the proposed rights issue.

**A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the statement of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors of the Company in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 30 June 2023.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and based on the judgements, estimates and assumptions of the Directors, and because of the hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at the date to which it is made up or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Rights Issue	Unaudited consolidated net tangible assets attributable to the owners of the Company per share before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per share after completion of the Rights Issue
<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 3)</i>	<i>RMB</i> <i>(Note 4)</i>

Based on 617,249,750  
Rights Shares to be  
issued at Subscription  
Price of HK\$0.20 per  
Rights Share

504,343	112,150	616,493	1.634	0.666
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*Notes:*

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 is based on the consolidated net assets of the Group attributable to owners of the Company of approximately RMB1,100,960,000, after deducting intangible assets of approximately RMB596,617,000 as at 30 June 2023, extracted from the published interim report of the Group for the six months ended 30 June 2023.
2. The estimated net proceeds from the Rights Issue of approximately HK\$121,122,000 (equivalents to RMB112,150,000) are based on 617,249,750 Rights Shares to be issued on the basis of two (2) Rights Shares for every one (1) existing shares held by the qualifying shareholders on the record date. The Rights Issue is only available to the qualifying shareholders and will not be available to non-qualifying shareholders at the Subscription Price of HK\$0.20 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$2,304,500 (approximately RMB2,134,000).
3. The consolidated net tangible assets of the Group attributable to the owners of the Company per share before the completion of the Rights Issue is determined based on the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 of approximately RMB504,343,000 as disclosed in note 1 above, divided by 308,624,875 Shares of the Company in issue as at 30 June 2023.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group immediately after the completion of the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2023 after the Rights Issue of approximately RMB616,493,000 divided by 925,874,625 Shares which comprise 308,624,875 Shares in issue as at 30 June 2023 and 617,249,750 Rights Shares to be issued immediately after the completion of the Rights Issue, assuming that no outstanding share options of the Company to be exercised.
5. No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 30 June 2023.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from the independent reporting accountants, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Group's Unaudited Pro Forma Financial Information for the purpose of inclusion in this Prospectus.*

**TO THE DIRECTORS OF ARTGO HOLDINGS LIMITED**

*(Incorporated in Cayman Islands with limited liability)*

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ArtGo Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") prepared by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2023 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out in Appendix II to the prospectus issued by the Company dated 28 September 2023 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 June 2023 as if the Rights Issue had taken place at 30 June 2023. As part of this process, information about the Group's consolidated net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's consolidated financial statements for the six months ended 30 June 2023, on which an interim report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**"), issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Elite Partners CPA Limited**  
*Certified Public Accountants*  
Hong Kong, 28 September 2023

## 1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after the Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion and full acceptance by the Qualifying Shareholders) were as follows:

### (a) As at the Latest Practicable Date:

<i>Authorised</i>	<i>HK\$</i>
<u>1,500,000,000</u> Shares of HK\$0.20 each	<u>300,000,000</u>
<i>Issued and fully paid:</i>	
<u>308,624,875</u> Shares of HK\$0.20 each	<u>61,724,975</u>

### (b) Immediately after the Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the Completion and full acceptance by the Qualifying Shareholders):

<i>Authorised</i>	<i>HK\$</i>
<u>1,500,000,000</u> Shares of HK\$0.20 each	<u>300,000,000</u>
<i>Issued and fully paid:</i>	
308,624,875 Shares of HK\$0.20 each	61,724,975
<u>617,249,750</u> Rights Shares of HK\$0.20 each to be allotted and issued under the Rights Issue	<u>123,449,950</u>
<u>925,874,625</u>	<u>185,174,925</u>



All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Neither part of the share capital nor any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

### 3. DISCLOSURE OF INTERESTS

#### (a) Interests of Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

#### *Long positions in the Shares*

Name of Director	Capacity/Nature of Interest	Number of Shares interested (Note)	Approximate percentage of the total issued share capital of the Company
Ms. Wu Jing	Beneficial owner	2,188,850(L)	0.71%

*Note:* The letter “L” denotes the person’s long position in the Share.

**(b) Interests of substantial shareholders and other person**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, there is one person (other than a Director or chief executive of the Company), had, or were deemed or taken to have interests 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 and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO, who were, directly or indirectly, interested in 5% or more of the number of any class of share carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital, disclosed as follows:

Name	Capacity/Nature of Interest	Number of Shares interested (Note)	Approximate percentage of the total issued share capital of the Company
Xu Xiaodong	Beneficial owner	46,000,000 (L)	14.90%

*Note:* The letter “L” denotes the person’s long position in the Share.

**4. DIRECTORS’ INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, (a) none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022 (being the date to which the latest published audited accounts of the Group were made up); and (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.

**5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

## 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, controlling Shareholders of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the date of this Prospectus and up to the Latest Practicable Date which are or may be material:

- (i) the conditional equity transfer agreement dated 7 September 2021 (the “**Equity Transfer Agreement**”) entered into between Mr. Wu Jun, ArtGo Investment Limited and Good Benefit Holdings Limited in respect of the disposal of 51% equity interest in Good Benefit Holdings Limited;
- (ii) the supplement agreement dated 15 November 2021 entered into between Mr. Wu Jun and ArtGo Investment Limited and expressed to be supplemental to the Equity Transfer Agreement;
- (iii) the subscription agreement dated 5 May 2023 entered into between the Company and Mr. Xu Xiaodong in relation of a subscription of 46,000,000 new Shares;
- (iv) the Placing Agreement ; and
- (v) the Side Letter.

**9. EXPERT AND CONSENT**

The following is the qualification of the expert who have given opinion or advice contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Elite Partners CPA Limited	Certified Public Accountant

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert confirmed that the above expert (a) did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and (b) was not interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up.

**10. EXPENSES**

The expenses in connection with the Rights Issue, including placing commission and professional fees payable to financial advisers, legal adviser, reporting accountants, financial printer and other parties involved in the Rights Issue are estimated to be approximately HK\$2.30 million, which are payable by the Company.

**11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE****Board of Directors***Executive Directors:*

Ms. Wu Jing (*Chairman and Acting Chief Executive Officer*)

Mr. Gu Weiwen (*Vice Chairman*)

Mr. Zhang Jian

Mr. Wan Jian

*Non-executive Director:*

Mr. Gu Zengcai

*Independent Non-executive Directors:*

Ms. Lung Yuet Kwan

Mr. Hui Yat On

Mr. Zhai Feiquan

*Audit Committee:*

Ms. Lung Yuet Kwan (*Committee Chairman*)

Mr. Hui Yat On

Mr. Zhai Feiquan

*Remuneration Committee:*

Mr. Hui Yat On (*Committee Chairman*)

Ms. Wu Jing

Ms. Lung Yuet Kwan

*Nomination Committee:*

Ms. Wu Jing (*Committee Chairman*)

Mr. Hui Yat On

Mr. Zhai Feiquan

*Investment Committee:*

Ms. Wu Jing (*Committee Chairman*)

Mr. Gu Weiwen

Mr. Hui Yat On

**Registered office**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

<b>Head office and principal place of business in the PRC</b>	Room E, 6/F No. 728 Yan'an West Road Changning District Shanghai, PRC
	New Material Industrial Park Teng Tian Town Yongfeng County Ji'an City Jiangxi Province, China
<b>Head office and principal place of business in Hong Kong</b>	Unit 1302, 13/F Golden Centre 188 Des Voeux Road Central Hong Kong
<b>Authorised representatives</b>	Ms. Wu Jing Room A, 9/F, Block 1 Waterside Plaza No. 38 Wing Shun Street Tsuen Wan Hong Kong
	Mr. Gu Weiwen Room 801, No. 30, Alley 99 Jinhe Road Pudong New Area Shanghai, China
<b>Company Secretary</b>	Mr. Zhao Zhipeng
<b>Principal share registrar and transfer office in the Cayman Islands</b>	<b>Conyers Trust Company (Cayman) Limited</b> Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Branch share registrar and transfer office in Hong Kong</b>	<b>Computershare Hong Kong Investor Services Limited</b> Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

**Principal bankers**

**Agricultural Bank of China**  
Shanghai Changping Road Branch  
818 Xikang Road  
Jing'an District  
Shanghai  
PRC

**China Citic Bank**

Xiamen Branch, Fushan Sub-branch  
No. 1222 Xiahe Road  
Siming District  
Xiamen  
PRC

**Bank of Communications Co., Ltd.**

Hong Kong Branch  
No. 20 Peddar Street  
Central  
Hong Kong

**Legal adviser to the Company**

**Patrick Mak & Tse Solicitors**  
Rooms 901–905, 9/F  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

**Auditors**

**Elite Partners CPA Limited**  
10/F, 8 Observatory Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

## 12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

### a) Biographical details of Directors

#### *Executive Directors*

**Ms. Wu Jing (伍晶)** (“**Ms. Wu**”), aged 37, has been appointed as the executive Director on 9 March 2016 and is currently chairman of the Board and acting chief executive officer of the Company. Ms. Wu is also responsible for promotion and marketing affairs of the Company. Ms. Wu has more than 10 years’ experience in corporate brand management. In 2010, Ms. Wu founded a management consulting firm, which provided consultancy services in relation to brand promotion, sales and public relations to the local and overseas organizations and corporations since February 2010, including but not limited to Information Services Department of The Government of the Hong Kong Special Administrative Region of the People’s Republic of China, Hong Kong Tourism Board, Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, DTZ Holdings PLC, Sinopec (Hong Kong) Limited, Suning Commerce Group Co., Ltd., Powerchina Resources Ltd.. In June 2008, Ms. Wu obtained her bachelor degree in biological technology from Wuhan University. She then obtained her master of science degree in environmental engineering from the Hong Kong University of Science and Technology and her master degree in industrial engineering and logistics management from the University of Hong Kong in November 2009 and November 2010, respectively. In 2015, she was awarded the “Ten Outstanding New Hong Kong Young Persons (十大傑出新香港青年)”. She is currently the standing director of Jiangsu Women Association\* (江蘇聯會婦女會) and the director of Jiangsu Youth Association\* (江蘇青年總會). Save as disclosed above, Ms. Wu did not hold directorship in any listed public companies in the past three years.

**Mr. Gu Weiwen (顧偉文)** (“**Mr. Gu**”), aged 53, has been appointed as the executive Director and chief executive officer of the Company on 9 March 2016, and re-designated as Vice Chairman of the Company on 1 December 2016. Mr. Gu has more than 30 years’ experience in trading, investment and financing. Prior to joining the Group, Mr. Gu served as the wholesale executive of Shanghai Textiles Ltd.\* (上海紡織品總公司) from July 1990 to July 1992. From August 1992 to September 1994, Mr. Gu served as the manager of the apparel department of Orient Shopping Center Ltd.\* (上海東方商廈有限公司). From October 1994 to October 2000, Mr. Gu served as the general manager of Shanghai Huifeng Textile Group Ltd.\* (上海惠豐毛紡織集團有限公司). From January 2001 to October 2011, Mr. Gu served as the general manager of Chengdu Runheng Investment Ltd.\* (成都潤衡投資有限公司). From October 2011 to February 2016, Mr. Gu served as assistant to the chairman of China Dredging Environment Protection Holdings Limited (stock code: 871), a company listed on the Stock Exchange. Mr. Gu obtained the diploma from Commerce College of the Shanghai University (上海大學商學院) (now known as School of Economics, the Shanghai University) majoring in trading economics in July 1990. In 1991, Mr. Gu obtained the qualification as economic analyst as confirmed by the appraisal committee after the discussion by the vocation reform



office of Shanghai Textiles Ltd.\* (上海紡織品公司). In 1993, Mr. Gu obtained the qualification as an assistant economic analyst as confirmed by the appraisal committee for junior occupational positions of Shanghai Huifeng Textile Group Ltd.\* (上海東方商廈有限公司). As of the Latest Practicable Date, save as disclosed above, Mr. Gu did not hold directorship in any listed public companies in the past three years.

**Mr. Zhang Jian (張健) (“Mr. Zhang”)**, aged 48, has been appointed as the executive Director on 9 March 2016 and is currently the deputy general manager of the Company and the general manager of the marble production and processing department and international sales department of the Company, where he is responsible for mine production management, marble processing and production and operations management and international sales management of the Group. Mr. Zhang joined the Group in October 2012 and has more than 16 years’ experiences in stone exploitation, stone processing, quality control and international trade of stone. Prior to joining the Group, Mr. Zhang served at unit 32525 of the People’s Liberation Army of the People’s Republic of China in Xiamen (廈門中國人民解放軍32525部隊) from December 1993 to December 1997. From March 2003 to March 2006, he served as a procurement officer of Best Cheer Stone Group Ltd.\* (高時石材集團有限公司). From March 2006 to October 2012, he served as the procurement manager of Xiamen Zhonglianfa Import and Export Co., Ltd.\* (廈門中聯發進出口有限公司). As of the Latest Practicable Date, save as disclosed above, Mr. Zhang did not hold directorship in any listed public companies in the past three years.

**Mr. Wan Jian (萬堅) (“Mr. Wan”)**, aged 46, has been appointed as the executive Director on 15 January 2021. Mr. Wan has extensive experience in the construction industry particularly in the construction material field. He was also familiar with stone products processing and their related application on construction projects. Mr. Wan does not hold any other position with the Company and/or other members of the Company and its subsidiaries. As of the Latest Practicable Date, save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed public companies in the past three years.

*Non-executive Directors*

**Mr. Gu Zengcai (顧增才)**, aged 60, has been appointed as non-executive Director of the Company on 8 June 2016. Mr. Gu Zengcai graduated in the profession of industrial accounting school from Jiangsu Radio and TV University (江蘇廣播電視大學) in 1986. Mr. Gu Zengcai worked as the director of audit department and vice manager of finance department in Zhuhai Port Co., Ltd. (珠海港股份有限公司) (formerly known as Zhuhai Fuhua Group Co., Ltd. (珠海富華集團股份有限公司)) (a company listed as A share with stock code 000507) from October 1993 to August 1994. From September 1994 to April 2002, Mr. Gu Zengcai worked in China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行) (formerly known as Zhuhai Commercial Bank) (the “**CR Bank**”) and served as the deputy director of Zhuhai Huayin City Credit Cooperatives (珠海華銀城市信用社), the branch president of CR Bank, and the manager of the capital department, finance department and credit department in the headquarter of the CR Bank. Mr. Gu Zengcai was also appointed as the executive director of the Zhuhai Holdings Investment Group Limited (a company listed on The Stock Exchange with stock code 00908) (formerly known as Jiuzhou Development Company Limited) from October 2003 to August 2012 and the deputy chairman of the board of directors in the same company from August 2006 to August 2012. Mr. Gu Zengcai obtained the certificate of the accountant and auditor in the year of 1992 and the certificate of Chinese Public Accountant in 1993. As of the Latest Practicable Date, save as disclosed above, Mr. Gu Zengcai did not hold any directorship in the past three years in any other listed companies.

*Independent non-executive Directors*

**Ms. Lung Yuet Kwan (龍月群) (“Ms. Lung”)**, aged 57, has been appointed as independent non-executive Director of the Company on 1 June 2017. Ms. Lung has over 20 years of professional experience in auditing, accounting and financial management for both private and listed corporations. Ms. Lung joined as executive vice president of the finance department of Ground International Development Limited (formerly known as “China Motion Telecom International Limited”, a company listed on the Stock Exchange with stock code 0989) since December 2005 and acted as the chief financial officer, company secretary and the authorised representative of Ground International Development Limited for the period from November 2013 to February 2016. Ms. Lung holds a bachelor degree in business from Monash University, Australia. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Save as disclosed above, Ms. Lung did not hold any directorship in the past three years in any other listed companies.

**Mr. Hui Yat On (許一安) (“Mr. Hui”)**, aged 63, has been appointed as independent non-executive Director of the Company on 8 June 2016, and is chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee of the Company. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor degree in business administration in December 1982. In November 2004, Mr. Hui obtained a master degree in professional accounting from Hong Kong Polytechnic University. Mr. Hui has become a member of the Hong Kong Institute of Certified Public Accountants in December 1986. He is also a member of the Hong Kong Chiu Chow Chamber of Commerce. Mr. Hui has previously served as the executive director and senior executive of several Hong Kong listed companies. He was appointed as an independent non-executive director of Enterprise Development Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 1808, in the period of 11 January 2021–20 September 2021. He was appointed on 10 June 2021, as an independent non-executive director of China Financial Leasing Group Limited, a company listed on the Main Board of the Stock Exchange with stock code 2312. Mr. Hui has more than three decades of experiences in the field of corporate finance and financial services. Save as disclosed above, Mr. Hui did not hold any directorship in the past three years in any other listed companies.

**Mr. Zhai Feiquan (翟飛全) (“Mr. Zhai”)**, aged 43, has been appointed as independent non-executive Director of the Company on 20 July 2020. Mr. Zhai holds a bachelor’s degree in marketing from Guangxi University. Mr. Zhai has more than 20 years’ experience in stone products sales and export as well as mines operations and processing of marble stone. He has rich experience in marketing and brands building of a variety of marble stones. Mr. Zhai does not hold any other position with the Company and/or other members of the Company and its subsidiaries. Save as disclosed above, he does not hold any other major appointment and has not held any position or directorship in any other listed companies in the past three years.

#### **b) Biographical details of Senior Management**

**Mr. Zhao Zhipeng (趙志鵬) (“Mr. Zhao”)**, has been appointed as the company secretary of the Company since June 2016. Mr. Zhao holds the Bachelor degree of laws (PRC Law) awarded by The East China University of Political Science and Law. He was awarded the Master of Laws in Common Law by The Chinese University of Hong Kong in 2007 and the Juris Doctor degree by the City University of Hong Kong in 2009 respectively. Further, in 2011, Mr. Zhao was awarded the Postgraduate Certificate in Laws by the City University of Hong Kong. In December 2013, Mr. Zhao became a practicing solicitor in Hong Kong when he was admitted as a solicitor of the High Court of Hong Kong. Mr. Zhao’s practice focuses mainly on the reorganization and mergers and acquisitions of listed companies. He also assists companies in their listing process in the Hong Kong Stock Exchange and Listing Rules compliance issues.

**Mr. Nie Zhiqiang (聶志強) (“Mr. Nie”)**, aged 55, is currently the vice president of Jueshi Mining in charge of production, responsible for mining plans confirmation, product quality control and product transportation of our Group. Mr. Nie joined our Group on 18 June 2012, and has over 25 years of experience in mining production. Prior to joining our Group, Mr. Nie was responsible for the mining production and management of various companies. He worked in Shanxi Sida Construction Materials Co., Ltd from June 1991 to October 1997, serving as general staff, supervisor of quality control, head of production and person-in charge of mining operation, respectively, responsible for the quality control and assurance of granite mines and production management, including a detailed analysis of the granite exploration and extraction process. He worked in Shanxi Huajun Stone Enterprise Co., Ltd. from November 1997 to November 2000, serving as production manager and mining head, responsible for the production, exploration and extraction management of a mine and a mine processing plant, including marbles and stones. From March 2001 to August 2004, Mr. Nie was the mine and factory manager of Shanxi Evergreen Stone Co., Ltd., responsible for mineral resource management and formulation and execution of granite mining production plans. From March 2005 to June 2009, he was the assistant manager and the mine manager of the mineral resource department of Universal Marble & Granite (Dongguan) Co., Ltd., responsible for mining and management, including the daily management of the marble mining and resources department, evaluating mine acquisition targets by assessing the nature and quality of marble and granite in mines, formulating marble mine exploration plans and proposals to facilitate mining production, organizing and coordinating mining exploration and extraction activities, and organizing training for mining personnel on the technical, safety and environmental protection aspects of marble mines. From February 2010 to June 2012, he served as the vice general manager of Hubei Era Mining Co., Ltd., responsible for overseeing marble mining affairs and the operation of a marble mine processing plant, which covered the marble exploration and extraction process.

**Mr. Zhang Jiyan (張繼燕)**, aged 51, is currently the deputy manager of the technology and quality research department and the deputy chief of the building preparatory group for the stone processing plant of the Company, where he is responsible for supervising mining and stone processing, as well as identifying processing contractors and coordinating the specific preparatory efforts for building the Company’s own stone processing plant. He has more than 20 years of experience in marble processing and quality control and before joining the Company, he worked for various marble processing and trading companies including, among others, Xiamen Yongwen Stone Materials Factory\* (廈門市永文石材廠), Baodeli Stone Materials Factory\* (廈門市開元區包德力石板材廠), Fujian Shuitou Shijing Yongxing Stone Materials Factory\* (福建水頭石井永興石材廠) (now known as Fujian Quanzhou Huayi Stone Materials Limited\* (福建省泉州市華益石材有限公司) and Zhangzhou Riquan Inspection Centre\* (漳州日泉檢品中心), a subsidiary of Xiamen Riquan Trading Company\* (廈門日泉貿易公司). During which, Mr. Zhang Jiyan obtained experience in coordinating and guiding exploration and mining, which has enabled him to communicate and work effectively with the senior managers at the mines. He had also been involved in the development of a series of professional guidelines including raw material quality standards and slab quality standards, whereby the quality of the raw materials from mines, which are required at the processing stage, is strictly under control to ensure the best cutting quality from such raw materials for the

purpose of an optimal production-sales relationship and a maximized use of stone resources. Mr. Zhang Jiyan joined the Company in August 2011 when he was involved in the total management, operations and product quality control at the then newly acquired Yongfeng Mine. Subsequently, he acted as a key executive in charge of production and sales coordination and quality control, during which, he equipped with his professional competence in manufacturing processes and technologies and in both the national and the international quality control standards, closely supervised, guided and, on a continuing basis, improved the exploration, extraction and production process of contractors from the perspective of marketability, customer satisfaction and technical application. Mr. Zhang Jiyan has administered stringent control over the quality of raw materials, semi-finished goods and final products of the Company having regard to market demand and product positioning. At the same time, Mr. Zhang Jiyan formulates strategies and optimal improvement plans in line with market demand and in doing so, he has produced good results from the coordination efforts in production and sales.

**Mr. Qiu Yuyuan (邱宇元) (“Mr. Qiu”)**, aged 45, is currently in charge of the Group’s financial planning, financial budget and management issues. Mr. Qiu joined the Group in September 2011, and has more than 10 years of experience in financial management. Prior to joining the Group, Mr. Qiu worked in Xiamen Overseas Chinese Electronic Co., Ltd., Xiamen Tsann Kuen Corporation Limited, and Lenovo Mobile Communication Technology Limited from August 2000 to February 2005, from March 2005 to March 2006, and from March 2006 to April 2010, respectively, and was in charge of relative financial auditing, business process reengineering, credit management and financial analysis in those companies. Mr. Qiu obtained the qualification of National Intermediate Accountant in 2004.

**Mr. Jiang Shikui (蔣世奎) (“Mr. Jiang”)**, aged 42, is currently the Chief Operation Officer of the Company. Mr. Jiang joined the Group in 2016 and he has over 10 years of experience in stone industry, including the field of mining processing, production management, quality control, technology development, market development and marketing management.

**c) Business address of the Directors and the senior management of the Company**

The business address of the Directors, the senior management and authorised representatives is the same as the Company’s head office and principal place of business in Hong Kong located at Unit 1302, 13/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong.

### 13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised three independent non-executive Directors, namely, Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan. The Audit Committee is chaired by Ms. Lung Yuet Kwan. The Audit Committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

### 14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

### 15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

### 16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.artgo.cn](http://www.artgo.cn)) for 14 days from the date of this Prospectus:

- (i) the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022 respectively and the interim report of the Company for the 6-month ended 30 June 2023;
- (ii) the material contracts disclosed in the paragraph under the heading “8. Material Contracts” in this Appendix to this Prospectus;
- (iii) the letter of from the Board, the text of which is set out on pages 7 to 26 of this Prospectus;
- (iv) the independent reporting accountants’ assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (v) the written consent of the expert referred to in the section headed “9. Expert and Consent” in this Appendix; and
- (vi) the Prospectus Documents.

**17. MISCELLANEOUS**

- a. As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- b. As at the Latest Practicable Date, the Group had no exposure to foreign exchange liabilities.
- c. The English text of this Prospectus shall prevail over their respective Chinese text for the purpose of interpretation.