
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Art Group Holdings Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee 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 or the transferee.

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ART GROUP HOLDINGS LIMITED

錦藝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

PROPOSED CHANGE OF AUDITOR AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of Art Group Holdings Limited to be held at Jade Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Kowloon, Hong Kong on Wednesday, 28 June 2017 at 9:05 a.m. is set out on pages 5 to 6 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and Art Group Holdings Limited (<http://artgroup.etnet.com.hk>).

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting, or any adjournment thereof, should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

5 June 2017

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Art Group Holdings Limited (formerly known as Art Textile Technology International Company Limited), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Wednesday, 28 June 2017 at 9:05 a.m. at Jade Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Kowloon, Hong Kong and to consider and, if thought fit, to approve, among other things, the proposed appointment of auditor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



ART GROUP HOLDINGS LIMITED

錦藝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

Executive Directors:

Mr. Chen Jinyan (*Chairman*)

Mr. Chen Jindong (*Chief Executive Officer*)
(alias Mr. Chen Dong)

Mr. Chen Jinqing

Registered office:

P.O. Box 10008

Willow House

Cricket Square

Grand Cayman KY1-1001

Cayman Islands

Independent non-executive Directors:

Mr. Kwan Chi Fai

Mr. Lin Ye

Mr. Yang Zeqiang

Ms. Chong Sze Pui Joanne

Place of business in Hong Kong

Unit 1407, 14th Floor

China Merchants Tower

Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

5 June 2017

To the Shareholders

Dear Sir or Madam

PROPOSED CHANGE OF AUDITOR AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 25 May 2017 in relation to the proposed change of auditor of the Company and its subsidiaries. At the forthcoming EGM, a resolution will be proposed to seek the Shareholders' approval for the appointment of auditor.

LETTER FROM THE BOARD

The purpose of this circular is to (i) provide you with information relating to the resolution to be proposed at the EGM for the appointment of auditor; and (ii) give you notice of the EGM.

PROPOSED CHANGE OF AUDITOR

On 25 May 2017, the Company announced that Dominic K. F. Chan & Co. has resigned as the auditor of the Company and its subsidiaries with effect from 25 May 2017 due to internal reorganisation of Dominic K. F. Chan & Co. and therefore it has no resources to take up the engagement. Dominic K. F. Chan & Co. has confirmed that from its perspective, there are no matters that need to be brought to the attention of the Shareholders. Both the Board and the audit committee of the Company confirmed that there is no disagreement between the Company and Dominic K. F. Chan & Co. and that there are no matters or circumstances in respect of the change of auditor which should be brought to the attention of the Shareholders.

Subject to the approval of the Shareholders at the EGM, the Board, with the recommendation of the audit committee of the Company, has resolved to appoint Centurion ZD CPA Limited as the new auditor of the Company and its subsidiaries with effect from 25 May 2017 to fill the casual vacancy following the resignation of Dominic K. F. Chan & Co. and to hold office until the conclusion of the next annual general meeting of the Company.

EGM

An ordinary resolution will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve, among other things, the proposed appointment of auditor.

The notice convening the EGM has been set out on pages 5 to 6 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instruction printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

No Shareholder is required to abstain from voting at the EGM.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolution put to the vote at the EGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Directors consider that the proposed resolution is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolution as set out in the notice of EGM.

MISCELLANEOUS

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

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



ART GROUP HOLDINGS LIMITED

錦藝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 565)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of Art Group Holdings Limited (the “**Company**”) will be held at Jade Room, 6th Floor, Marco Polo Hongkong Hotel, Harbour City, 3 Canton Road, Kowloon, Hong Kong on Wednesday, 28 June 2017 at 9:05 a.m. to consider and, if thought fit, pass with or without modification, the following resolution which will be proposed, as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** Centurion ZD CPA Limited be and is hereby appointed as the auditor of the Company and its subsidiaries to fill the vacancy following the resignation of Dominic K. F. Chan & Co., and to hold office until the conclusion of the next annual general meeting of the Company and that the board of directors of the Company be and is hereby authorised to fix the remuneration of the auditor.”

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

Hong Kong, 5 June 2017

Registered office:

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

Principal place of business in Hong Kong:

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting or at any adjournment thereof, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The register of members of the Company will be closed from Friday, 23 June 2017 to Wednesday, 28 June 2017 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all transfer forms and the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 22 June 2017.
4. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
5. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting or any adjournment thereof if they so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.