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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)**

### **MEMORANDA OF UNDERSTANDING IN RELATION TO THE POTENTIAL ACQUISITIONS**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

#### **THE MEMORANDA**

The Board announces that on 3 June 2019 (after trading hours), the Company entered into the followings Memoranda:

- (i) the Company and the Vendor-1 entered into the GENPEX MOU, pursuant to which the Company intends to acquire and the Vendor-1 intends to dispose the GENPEX Sale Share, representing the entire issued share capital of the Target Company-1;
- (ii) the Company and the Vendor-2 entered into the PUDONG MOU, pursuant to which the Company intends to acquire and the Vendor-2 intends to dispose all rights and interests in the Target Property-2;
- (iii) the Company and the Vendor-3 entered into the XINHUA MOU, pursuant to which the Company intends to acquire and the Vendor-3 intends to dispose the XINHUA Sale Shares, representing the entire issued share capital of the Target Company-2 and indirectly acquire all or part of the Target Property-3, Target Property-4, Target Property-5 and Target Property-6 (subject to the results of the Restructuring-1); and
- (iv) the Company and the Vendor-4 entered into the KALONG MOU, pursuant to which the Company intends to acquire and the Vendor-4 intends to dispose the KALONG Sale Shares, representing the entire issued share capital of the Target Company-3.

**The Potential Acquisitions are subject to, among others, further negotiation concerning the entering into a Formal Agreement(s). At present stage, the terms and conditions of each of the Formal Agreements is yet to be finalized and agreed between the Company and the Vendors. As such, the Potential Acquisitions may or may not proceed. Further announcement(s) in respect of the Potential Acquisitions shall be made by the Company in the event that any Formal Agreement(s) has been entered into.**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

## **THE GENPEX MOU**

On 3 June 2019 (after trading hours), the Company and the Vendor-1 entered into the GENPEX MOU, pursuant to which the Company intends to acquire and the Vendor-1 intends to dispose the GENPEX Sale Share, representing the entire issued share capital of the Target Company-1. Set out below are the major terms of the GENPEX MOU.

Date: 3 June 2019

Parties: (i) the Company; and  
(ii) the Vendor-1.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor-1 is an Independent Third Party.

## **Assets to be acquired**

Pursuant to the GENPEX MOU, the Company intends to acquire and the Vendor-1 intends to dispose the GENPEX Sale Share, representing the entire issued share capital of the Target Company-1.

## **Negotiations**

Each of the Company and the Vendor-1 shall, with its best efforts and in good faith, procure the negotiation for the potential transaction and shall, within 30 days upon signing of the GENPEX MOU (or such other days the Company and the Vendor-1 may agree in writing), conclude the GENPEX Formal Agreement with legally-binding effect to materialise the transaction. The Company has the right to nominate one of its associates (including but not limited to Artgo Investment) as the purchaser to enter into the GENPEX Formal Agreement.

## **Consideration**

The GENPEX Consideration will be subject to further negotiation between the Company and the Vendor-1 and is expected to be satisfied by the Company by way of allotment and issue of new Shares. The issue price for the new Shares shall be HK\$0.81 per Share, representing

a discount of 19.48% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the GENPEX MOU.

### **Exclusivity Period**

During the Exclusivity Period, the Vendor-1 shall not liaise in any manner with other potential purchasers in respect of the disposal of the equity interests in, and/or operations of, the Target Company-1 which may interfere or affect the subject matter under the GENPEX MOU. The liaison referred to above includes but is not limited to negotiation for and signing of any memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).

### **Disposal restriction**

During the Exclusivity Period, the Vendor-1 is not entitled to dispose the Target Property-1 in any way (including but not limited to transfer, dispose, pledge, lease etc.) and is not entitled to any act done for the purpose of reducing the value of the Target Property-1.

### **Due diligence**

During the Exclusivity Period, the Company may conduct due diligence review on the Target Company-1, Target Property-1 and any related business and other assets of the Target Company-1 (including but not limited to the title of ownership of the Target Property-1, the incorporation of the Target Company-1 and its subsidiaries and its continued existence status, assets and liabilities, financial conditions and operation conditions).

### **Legal effect**

Save for those provisions relating to the GENPEX Consideration, the Exclusivity Period, the disposal restriction, confidentiality, due diligence, the governing law and jurisdiction, the provisions of the GENPEX MOU does not have any legal effect.

## **INFORMATION ON THE TARGET COMPANY-1 AND THE TARGET PROPERTY-1**

The Target Company-1 is a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital is owned by the Vendor-1 as at the date of this announcement. As at the date of this announcement, the Target Company-1 is principally engaged in investment holding and is holding the interest in the Target Property-1.

The Target Property-1 is located in Huaihai Middle Road, Luwan District, Shanghai, the PRC\* (中國上海市盧灣區淮海中路), with a gross floor area of approximately 446.52 square meters, which is for residential use and a car park space.

## **THE PUDONG MOU**

On 3 June 2019 (after trading hours), the Company and the Vendor-2 entered into the PUDONG MOU, pursuant to which the Company intends to acquire and the Vendor-2 intends to dispose all rights and interests in the Target Property-2. Set out below are the major terms of the PUDONG MOU.

Date: 3 June 2019

Parties: (i) the Company; and  
(ii) the Vendor-2.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor-2 is an Independent Third Party.

### **Assets to be acquired**

Pursuant to the PUDONG MOU, the Company intends to acquire and the Vendor-2 intends to dispose all rights and interest in the Target Property-2.

### **Negotiations**

Each of the Company and the Vendor-2 shall, with its best efforts and in good faith, procure the negotiation for the potential transaction and shall, within 30 days upon signing of the PUDONG MOU (or such other days the Company and the Vendor-2 may agree in writing), conclude the PUDONG Formal Agreement with legally-binding effect to materialise the transaction. The Company has the right to nominate one of its associates (including but not limited to Artgo Junqi) as the purchaser to enter into the PUDONG Formal Agreement.

### **Consideration**

The PUDONG Consideration will be subject to further negotiation between the Company and the Vendor-2 and is expected to be satisfied by the Company by way of allotment and issue of new Shares. The issue price for the new Shares shall be HK\$0.81 per Share, representing a discount of 19.48% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the PUDONG MOU.

### **Exclusivity Period**

During the Exclusivity Period, the Vendor-2 shall not liaise in any manner with other potential purchasers in respect of the disposal of the rights of the Target Property-2 which may interfere or affect the subject matter under the PUDONG MOU. The liaison referred to above includes but is not limited to negotiation for and signing of any memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).

### **Disposal restriction**

During the Exclusivity Period, the Vendor-2 is not entitled to dispose the Target Property-2 in any way (including but not limited to transfer, dispose, pledge, lease etc.) and is not entitled to any act done for the purpose of reducing the value of the Target Property-2.

## **Due diligence**

During the Exclusivity Period, the Company may conduct due diligence review on the Target Property-2 (including but not limited to any site inspection and information gathering relating to the Target Property-2 conducted by the Company).

## **Legal effect**

Save for those provisions relating to the PUDONG Consideration, the Exclusivity Period, the disposal restriction, confidentiality, due diligence, the governing law and jurisdiction, the provisions of the PUDONG MOU does not have any legal effect.

## **INFORMATION ON THE TARGET PROPERTY-2**

The Target Property-2 is located in Room 3201, Level 28, No. 7, Lane 2, Weifang West Road, Pudong New Area, Shanghai, the PRC\* (中國上海市浦東新區滌坊西路2弄7號28層3201室), with a gross floor area of approximately 260.39 square meters, which is for residential use and a car park space.

## **THE XINHUA MOU**

On 3 June 2019 (after trading hours), the Company and the Vendor-3 entered into the XINHUA MOU, pursuant to which the Company intends to acquire and the Vendor-3 intends to dispose the XINHUA Sale Shares, representing the entire issued share capital of the Target Company-2. Set out below are the major terms of the XINHUA MOU.

Date: 3 June 2019

Parties: (i) the Company; and

(ii) the Vendor-3.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor-3 is an Independent Third Party.

## **Assets to be acquired**

Pursuant to the XINHUA MOU, the Company intends to acquire and the Vendor-3 intends to dispose the XINHUA Sale Shares, representing the entire issued share capital of the Target Company-2 and indirectly acquire all or part of the Target Property-3, Target Property-4, Target Property-5 and Target Property-6 (subject to the results of the Restructuring-1).

## **Negotiations**

Each of the Company and the Vendor-3 shall, with its best efforts and in good faith, procure the negotiation for the potential transaction and shall, within 30 days upon signing of the XINHUA MOU (or such other days the Company and the Vendor-3 may agree in writing),

conclude the XINHUA Formal Agreement with legally-binding effect to materialise the transaction. The Company has the right to nominate one of its associates (including but not limited to Artgo Investment) as the purchaser to enter into the XINHUA Formal Agreement.

### **Consideration**

The XINHUA Consideration will be subject to further negotiation between the Company and the Vendor-3 and is expected to be satisfied by the Company by way of allotment and issue of new Shares. The issue price for the new Shares shall be HK\$0.81 per Share, representing a discount of 19.48% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the XINHUA MOU.

### **Exclusivity Period**

During the Exclusivity Period, the Vendor-3 shall not liaise in any manner with other potential purchasers in respect of the disposal of the equity interests in, and/or operations of, the Target Company-2, Glory Town, Sichuan Yucheng and Shanghai Huanle, which may interfere or affect the subject matter under the XINHUA MOU. The liaison referred to above includes but is not limited to negotiation for and signing of any memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).

### **Disposal restriction**

During the Exclusivity Period, the Vendor-3 is not entitled to dispose the Target Property-3, Target Property-4, Target Property-5 and Target Property-6 in any way (including but not limited to transfer, dispose, pledge, lease etc.) and is not entitled to any act done for the purpose of reducing the value of the Target Property-3, Target Property-4, Target Property-5 and Target Property-6.

### **Due diligence**

During the Exclusivity Period, the Company may conduct due diligence review on the Target Property-3, Target Property-4, Target Property-5, Target Property-6 and any related business and other assets of the Target Company-2 and its subsidiaries (including but not limited to the title of ownership of the Target Property-3, Target Property-4, Target Property-5 and Target Property-6, the incorporation of the Target Company-2 and its subsidiaries and its continued existence status, assets and liabilities, financial conditions and operation conditions).

### **Legal effect**

Save for those provisions relating to the XINHUA Consideration, the Exclusivity Period, the disposal restriction, confidentiality, due diligence, the governing law and jurisdiction, the provisions of the XINHUA MOU does not have any legal effect.

## **INFORMATION ON THE TARGET COMPANY-2, THE TARGET PROPERTY-3, TARGET PROPERTY-4, TARGET PROPERTY-5 AND TARGET PROPERTY-6**

The Target Company-2 is a company incorporated in the British Virgin Islands with limited liability and its entire issued share capital is owned by the Vendor-3 as at the date of this announcement. As at the date of this announcement, the Target Company-2 is principally engaged in investment holding and is holding the entire equity interest of Glory Town.

Glory Town is a company incorporated in Hong Kong with limited liability and its entire issued share capital is owned by the Target Company-2. As at the date of this announcement, Glory Town is principally engaged in investment holding and is holding the entire equity interest of Sichuan Yucheng.

Sichuan Yucheng is a company established in the PRC with limited liability and its entire issued share capital is owned by Glory Town as at the date of this announcement. As at the date of this announcement, Sichuan Yucheng is principally engaged in investment holding. As advised by the Vendor-3, Sichuan Yucheng is undergoing the Restructuring-1.

Shanghai Huanle is a company established in the PRC with limited liability and its entire issued share capital is owned by an Independent Third Party as at the date of this announcement. As at the date of this announcement, Shanghai Huanle is principally engaged in investment holding. As further advised by the Vendor-3, Shanghai Huanle is undergoing the Restructuring-1.

Upon completion of the Restructuring-1, Sichuan Yucheng is holding the interest in Shanghai Huanle and Shanghai Huanle is holding the entire equity interest in the Target Property-3, Target Property-4, Target Property-5 and Target Property-6.

The Target Property-3 is located in Room 101, Block 2, No. 1, Xinhua Road, Shanghai, the PRC\* (中國上海市新華路1號2座101室), with a gross floor area of approximately 357.05 square meters, which is for residential use and a car park space.

The Target Property-4 is located in Room 102, Block 2, No. 1, Xinhua Road, Shanghai, the PRC\*(中國上海市新華路1號2座102室), with a gross floor area of approximately 435.19 square meters, which is for residential use.

The Target Property-5 is located in Room 1002, No. 5, Lane 566, Zhongshan South Road, Huangpu District, Shanghai, the PRC\* (中國上海市黃浦區中山南路566弄5號1002室), with a gross floor area of approximately 234.46 square meters, which is for residential use.

The Target Property-6 is located in No. 271, Lane 1883, Huamu Road, Shanghai, the PRC\* (中國上海市花木路1883弄271號), with a gross floor area of approximately 491.11 square meters, which is for residential use.

## **THE KALONG MOU**

On 3 June 2019 (after trading hours), the Company and the Vendor-4 entered into the KALONG MOU, pursuant to which the Company intends to acquire and the Vendor-4 intends to dispose the KALONG Sale Shares, representing the entire issued share capital of the Target Company-3. Set out below are the major terms of the KALONG MOU.

Date: 3 June 2019

Parties: (i) the Company; and  
(ii) the Vendor-4.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor-4 is an Independent Third Party.

### **Assets to be acquired**

Pursuant to the KALONG MOU, the Company intends to acquire and the Vendor-4 intends to dispose the KALONG Sale Shares, representing the entire issued share capital of the Target Company-3.

### **Negotiations**

Each of the Company and the Vendor-4 shall, with its best efforts and in good faith, procure the negotiation for the potential transaction and shall, within 30 days upon signing of the KALONG MOU (or such other days the Company and the Vendor-4 may agree in writing), conclude the KALONG Formal Agreement with legally-binding effect to materialise the transaction. The Company has the right to nominate one of its associates (including but not limited to Artgo Investment) as the purchaser to enter into the KALONG Formal Agreement.

### **Consideration**

The KALONG Consideration will be subject to further negotiation between the Company and the Vendor-4 and is expected to be satisfied by the Company by way of allotment and issue of new Shares. The issue price for the new Shares shall be HK\$0.81 per Share, representing a discount of 19.48% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the KALONG MOU.

### **Exclusivity Period**

During the Exclusivity Period, the Vendor-4 shall not liaise in any manner with other potential purchasers in respect of the disposal of the equity interests in, and/or operations of, the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji, which may interfere or affect the subject matter under the KALONG MOU. The liaison referred to above includes but is not limited to negotiation for and signing of any memorandum of understanding, letter of intent and agreement (with or without legally-binding effect).



During the Exclusivity Period, the Vendor-4 shall procure to maintain normal operations of the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji, and each of the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji is not entitled to sign any material contract with any third parties unless consent is given by the Company in writing.

### **Due diligence**

During the Exclusivity Period, the Company may conduct due diligence review on the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji and any its related business and other assets (including but not limited to the incorporation of the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji and its subsidiaries and its continued existence status, assets and liabilities, financial conditions and operation conditions).

### **Legal effect**

Save for those provisions relating to the KALONG Consideration, the Exclusivity Period, the disposal restriction, confidentiality, due diligence, the governing law and jurisdiction, the provisions of the KALONG MOU does not have any legal effect.

### **INFORMATION ON THE TARGET COMPANY-3 AND THE KALONG GROUP**

The Target Company-3 is a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital is owned by the Vendor-4 as at the date of this announcement. As at the date of this announcement, the Target Company-3 is principally engaged in investment holding and is holding the entire equity interest of Kalong HK.

Kalong HK is a company incorporated in Hong Kong with limited liability and the entire issued share capital is owned by the Target Company-3 as at the date of this announcement. As at the date of this announcement, Kalong HK is principally engaged in investment holding. As advised by the Vendor-4, Kalong HK is undergoing the Restructuring-2 by transferring the entire equity interest in Jiangxi Keyuet and Dongjiang Tongye to Kalong HK.

Dongjiang Tongye is a company established in the PRC with limited liability and the entire equity interest is owned by an Independent Third Party as at the date of this announcement. As at the date of this announcement, Dongjiang Tongye holds certain operating assets for the KALONG Project Group.

Jiangxi Keyuet is a company established in the PRC with limited liability and the entire equity interest is owned by an Independent Third Party as at the date of this announcement. As at the date of this announcement, Jiangxi Keyuet is principally engaged in the manufacturing and sale of calcium carbonate and is holding the entire equity interest of Jiangxi Taiji.

Jiangxi Taiji is a company established in the PRC with limited liability and the entire equity interest is owned by Jiangxi Keyuet as at the date of this announcement. As at the date of this announcement, Jiangxi Taiji provides financing activities to the KALONG Project Group.

Upon completion of the Restructuring-2, the entire equity interest of Dongjiang Tongye and Jiangxi Keyuet will be owned by Kalong HK.

## **REASONS AND BENEFITS FOR ENTERING INTO THE MEMORANDA**

The Company is an investment holding company and the Group mainly engages in mining, processing, trading and sales of marble stones, trading of commodities and cargo handling, warehousing and logistics.

The Group has been actively considering and exploring various opportunities for investment projects and to broaden the scope of investment according to the market conditions with an aim to enhance the Shareholders' value. In light of this, the Directors have assessed the entering into the Memoranda and the potential transactions contemplated thereunder (including the Potential Acquisitions) and consider that:

- (i) the prospect of the PRC property market is positive and the Properties are situated in very good locations of the residential districts, hence, it is of the view that the potential acquisitions of the interests in the Properties is a valuable investment opportunity for the Group to participant in the PRC property market which will enable the Group to benefit from the potential long term appreciation of the Properties in the PRC property market. After completion of the Potential Acquisitions, the Board intends to lease out the Properties which will provide future stable income for the Group;
- (ii) the Company intends to further expand its modern logistics, material processing (including processing of marble stones) and supply chain finance business for development of commodity trading for enhanced profitability. In light of this, the Directors consider that the potential acquisition of the KALONG Group, which is principal engaged in the manufacturing and sale of calcium carbonate which is mainly produced from marble residues, could represent a viable business opportunity to step forward in strengthening and to further expand the Group's existing business segment by widening the spectrum from stone mining to the stone application (i.e. production of calcium carbonate mainly used for industrial purposes).

In order to maximise return to the Company and the Shareholders in the long run, the Directors believe that the Potential Acquisitions, should it be materialised, will enhance the corporate development of the Group which will be in the best interests of the Company and its Shareholders as a whole.

The terms of the Memoranda were arrived at after arm's length negotiations between the Company and the Vendors. The Directors consider that the transaction contemplated by the Memoranda are on normal commercial terms and the terms of the Memoranda are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

**The Potential Acquisitions are subject to, among others, further negotiation concerning the entering into of a Formal Agreements. At present stage, the terms and conditions of the Formal Agreements are yet to be finalized and agreed between the Company and the Vendors. As such, the Potential Acquisitions may or may not proceed. Further announcement(s) in respect of the Potential Acquisitions shall be made by the Company in the event that any Formal Agreements has been entered into.**

## DEFINITIONS

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

|                        |  |
|------------------------|--|
| “Artgo Investment”     | Artgo Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of the Company as at the date of this announcement                |
| “Artgo Junqi”          | Artgo Junqi (Shanghai) Co., Ltd. (雅高珺奇(上海)實業有限公司), a company established in the PRC with limited liability and is an indirect wholly owned subsidiary of the Company as at the date of this announcement |
| “Board”                | the board of Directors   |
| “Company”              | ArtGo Holdings Limited (雅高控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock Code: 3313)                              |
| “connected person(s)”  | has the meaning as ascribed thereto under the Main Board Listing Rules   |
| “Director(s)”          | the director(s) of the Company   |
| “Dongjiang Tongye”     | Yongfeng Dongjiang Tongye Company Limited* (永豐縣東江銅業有限公司), a company established in the PRC with limited liability and is owned by Independent Third Parties as at the date of this announcement          |
| “Exclusivity Period”   | 30 days upon signing of the Memoranda  |
| “Formal Agreement(s)”  | the formal sale and purchase agreement which may or may not be entered into in relation to the Potential Acquisitions  |
| “Glory Town”           | Glory Town Investment Limited, a company incorporated in Hong Kong with limited liability and the entire issued share capital is owned by the Target Company-2 as at the date of this announcement       |
| “Group”                | the Company and its subsidiaries   |
| “GENPEX Consideration” | the consideration for potential acquisition of the entire issued share capital of the Target Company-1 by the Company (or any of its nominated associate) from Vendor-1                                  |

|                                |   |
|--------------------------------|---|
| “GENPEX Formal Agreement”      | the formal sale and purchase agreement which may or may not be entered into in relation to the potential acquisition of the entire issued share capital of the Target Company-1 by the Company (or any of its nominated associate) from Vendor-1  |
| “GENPEX MOU”                   | the memorandum of understanding dated 3 June 2019 entered into by the Company and the Vendor-1 setting out the preliminary understanding for the potential acquisition of the entire issued share capital of the Target Company-1 by the Company (or any of its nominated associate) from Vendor-1          |
| “GENPEX Sale Share”            | the entire issued share capital of the Target Company-1 legally and beneficially owned by the Vendor-1 as at the date of this announcement  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Third Party(ies)” | independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates |
| “Jiangxi Keyuet”               | Jiangxi Keyuet Technologies Company Limited* (江西科越科技有限公司), a company established in the PRC with limited liability and is owned by Independent Third Parties as at the date of this announcement  |
| “Jiangxi Taiji”                | Jiangxi Taiji Xietong Creative New Materials Company Limited* (江西太極協同創新新材料有限公司), a company established in the PRC with limited liability and is owned by Jiangxi Keyuet as at the date of this announcement   |
| “KALONG Consideration”         | the consideration for potential acquisition of the entire issued share capital of the Target Company-3 by the Company (or any of its nominated associate) from Vendor-4   |
| “KALONG Formal Agreement”      | the formal sale and purchase agreement which may or may not be entered into in relation to the potential acquisition of the entire issued share capital of the Target Company-3 by the Company (or any of its nominated associate) from Vendor-4  |
| “Kalong HK”                    | Kalong Investment Limited, a company incorporated in Hong Kong with limited liability and the entire issued share capital is owned by the Target Company-3 as at the date of this announcement  |

|                          |  |
|--------------------------|--|
| “KALONG MOU”             | the memorandum of understanding dated 3 June 2019 entered into by the Company and the Vendor-4 setting out the preliminary understanding for the potential acquisition of the entire issued share capital of the Target Company-3 by the Company (or any of its nominated associate) from Vendor-4   |
| “KALONG Sale Share”      | the entire issued share capital of the Target Company-3 legally and beneficially owned by the Vendor-4 as at the date of this announcement   |
| “KALONG Group”           | collectively the Target Company-3, Kalong HK, Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji   |
| “KALONG Project Group”   | collectively Jiangxi Keyuet, Dongjiang Tongye and Jiangxi Taiji  |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Main Board”             | Main Board of the Stock Exchange   |
| “Memoranda”              | collectively the GENPEX MOU, PUDONG MOU, XINHUA MOU and KALONG MOU   |
| “Potential Acquisitions” | the potential acquisitions relating to (i) the entire issued share capital of the Target Company-1 by the Company (or any of its nominated associate) from Vendor-1; (ii) all rights and interests in the Target Property-2 by the Company (or any of its nominated associate) from Vendor-2; (iii) the whole or part of the entire issued share capital of the Target Company-2 by the Company (or any of its nominated associate) from Vendor-3; (iv) the entire issued share capital of Target Company-3 by the Company (or any of its nominated associate) from Vendor-4 |
| “PRC”                    | the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau and Taiwan  |
| “Properties”             | collectively the Target Property-1, Target Property-2, Target Property-3, Target Property-4, Target Property-5 and Target Property-6   |
| “PUDONG Consideration”   | the consideration for potential acquisition of all rights and interests in the Target Property-2 by the Company (or any of its nominated associate) from Vendor-2  |

|                           |   |
|---------------------------|---|
| “PUDONG Formal Agreement” | the formal sale and purchase agreement which may or may not be entered into in relation to the potential acquisition of all rights and interests in the Target Property-2 by the Company (or any of its nominated associate) from Vendor-2  |
| “PUDONG MOU”              | the memorandum of understanding dated 3 June 2019 entered into by the Company and the Vendor-2 setting out the preliminary understanding for the potential acquisition of all rights and interests in the Target Property-2 by the Company (or any of its nominated associate) from Vendor-2  |
| “Restructuring-1”         | the restructuring of (i) transferring the entire equity interests in Shanghai Huanle to Sichuan Yucheng; and (ii) transferring the title of ownership and interest in Target Property-3, Target Property-4, Target Property-5 and Target Property-6 to Shanghai Huanle subject to the approval of the relevant government authorities |
| “Restructuring-2”         | the restructuring of transferring the entire equity interest in Jiangxi Keyuet and Dongjiang Tongye to Kalong HK  |
| “Share(s)”                | the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company  |
| “Shareholder(s)”          | the holder(s) of the Share(s)   |
| “Shanghai Huanle”         | Shanghai Huanle Enterprise Management Company Limited* (上海奧樂企業管理有限公司), a company established in the PRC with limited liability and the entire issued share capital is owned by an Independent Third Party   |
| “Sichuan Yucheng”         | Sichuan Yucheng Trading Company Limited* (四川譽城貿易有限公司), a company established in the PRC with limited liability and the entire issued share capital is owned by Glory Town as at the date of this announcement   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Target Company-1”        | Genpex Investment Limited, a company incorporated in the British Virgin Islands with limited liability and its entire issued share capital is owned by Vendor-1 as at the date of this announcement   |
| “Target Company-2”        | Good Benefit Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and its entire issued share capital is owned by Vendor-3 as at the date of this announcement   |

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|------------------------|---|
| “Target Company-3”     | Kalong Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and its entire issued share capital is owned by Vendor-4 as at the date of this announcement           |
| “Target Property-1”    | a property located in Huaihai Middle Road, Luwan District, Shanghai, the PRC* (中國上海市盧灣區淮海中路), with a gross floor area of approximately 446.52 square meters   |
| “Target Property-2”    | a property located in Room 3201, Level 28, No. 7, Lane 2, Weifang West Road, Pudong New Area, Shanghai, the PRC* (中國上海市浦東新區滌坊西路2弄7號28層3201室), with a gross floor area of approximately 260.39 square meters |
| “Target Property-3”    | a property located in Room 101, Block 2, No. 1, Xinhua Road, Shanghai, the PRC* (中國上海市新華路1號2座101室), with a gross floor area of approximately 357.05 square meters and a car park space                      |
| “Target Property-4”    | a property located in Room 102, Block 2, No. 1, Xinhua Road, Shanghai, the PRC* (中國上海市新華路1號2座102室), with a gross floor area of approximately 435.19 square meters   |
| “Target Property-5”    | a property located in Room 1002, No. 5, Lane 566, Zhongshan South Road, Huangpu District, Shanghai, the PRC* (中國上海市黃浦區中山南路566弄5號1002室), with a gross floor area of approximately 234.46 square meters       |
| “Target Property-6”    | a property located in No. 271, Lane 1883, Huamu Road, Shanghai, the PRC* (中國上海市花木路1883弄271號), with a gross floor area of approximately 491.11 square meters   |
| “Vendors”              | collectively Vendor-1, Vendor-2, Vendor-3 and Vendor-4  |
| “Vendor-1”             | Zhang Yuan (張元)   |
| “Vendor-2”             | Xu Yaosheng* (徐耀勝)  |
| “Vendor-3”             | Zhou Chengjiu* (周成九)  |
| “Vendor-4”             | Jiang Meiqin* (蔣美琴)   |
| “XINHUA Consideration” | the consideration for potential acquisition of the entire issued share capital of the Target Company-2 by the Company (or any of its nominated associate) from Vendor-3                                     |

|                           |  |
|---------------------------|--|
| “XINHUA Formal Agreement” | the formal sale and purchase agreement which may or may not be entered into in relation to the potential acquisition of the entire issued share capital of the Target Company-2 by the Company (or any of its nominated associate) from Vendor-3   |
| “XINHUA MOU”              | the memorandum of understanding dated 3 June 2019 entered into by the Company and the Vendor-3 setting out the preliminary understanding for the potential acquisition of the entire issued share capital of the Target Company-2 by the Company (or any of its nominated associate) from Vendor-3 |
| “XINHAU Sale Shares”      | the entire issued share capital of the Target Company-2 legally and beneficially owned by the Vendor-3 as at the date of this announcement   |
| “%”                       | per cent   |

By Order of the Board  
**Artgo Holdings Limited**  
**Wu Jing**  
*Chairman and Executive Director*

Hong Kong, 3 June 2019

\* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*

*As at the date of this notice, the executive Directors are Mr. Gu Weiwen, Mr. Zhang Jian, Ms. Wu Jing and Dr. Leung Ka Kit; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Zhang Xiaohan, Ms. Lung Yuet Kwan and Mr. Hui Yat On.*