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CHINA ART FINANCIAL HOLDINGS LIMITED

中國藝術金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1572)

VOLUNTARY ANNOUNCEMENT FORMATION OF A JOINT VENTURE COMPANY

This announcement is made by China Art Financial Holdings Limited (the “**Company**”) on a voluntary basis to provide the shareholders and potential investors of the Company with updated information in relation to the latest business development of the Company and its subsidiaries (the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Group has entered into a new joint venture agreement (the “**New JV Agreement**”).

According to the New JV agreement, the registered capital of the joint venture company is HK\$10,000, among which the Company contributes HK\$5,100, Fresh Dinghui Co., Limited (鮮鼎慧股份有限公司) (“**Fresh Dinghui**”) contributes HK\$3,400 and Zoomlion Digital Technology Group Co., Limited (中聯數科集團有限公司) (“**Zoomlion**”) contributes HK\$1,500, accounting for 51%, 34% and 15% of the registered capital of the joint venture company, respectively.

Set out below are the main terms of the New JV agreement:

Date: 5 September 2024

Parties: (i) The Company
(ii) Fresh Dinghui; and
(iii) Zoomlion

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Fresh Dinghui and Zoomlion and their ultimate beneficial owners are third parties independent of the Company and its connected person(s).

Joint Venture Entity: the new joint venture company jointly established by China Art Financial Holdings Limited, Fresh Dinghui and Zoomlion

After the establishment of the joint venture company, the Company, Fresh Dinghui and Zoomlion shall each contribute their respective investments in cash according to the shareholding ratio based on the project investment progress.

The main business of the joint venture company: Community retail digitisation services

REASONS FOR AND BENEFITS OF FORMATION OF THE JOINT VENTURE

The purpose of establishing this joint venture is to promote the development of all parties in the field of community retail digital services through cooperation. Through the integration and collaboration of various resources, the new business entity company can expand its business scope and improve the efficiency of capital utilisation.

Introduction of Fresh Dinghui: Based on community retail settlement business, Fresh Dinghui develops digital supply chain business to provide household consumption supply chain services for community residents. Its main businesses include AI robots, digital community mall promotion, digital fresh supply chain organization (full industry chain scenarios creation of digital farms, digital central freshly-made dish kitchens, digital wet markets, digital communities (commercial communities, residential communities), digital homes, etc.).

Introduction of Zoomlion: Zoomlion helps in the digital transformation of industries. Based on the integration of the entire industrial chain, it provides one-stop system solutions for various groups or core enterprises, primarily focusing on digital innovation and supply chain services as its core businesses. The Company is committed to the mission of “Empowering the entities with technology, promoting industrial transformation and upgrading, and optimising the innovation and entrepreneurship ecosystem”, adheres to the development philosophy of “Industry as the foundation, investment as the tool, and innovation as the soul”, aggregating resources and gathering momentum through industrial operations and innovation platforms to comprehensively serve the real economy.

As the applicable percentage ratios under the New JV Agreement are all less than 5%, the relevant transactions will not constitute notifiable transactions under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is made by the Company voluntarily.

By Order of the Board
China Art Financial Holdings Limited
Fan Zhixin
Co-Chairman and Executive Director

Hong Kong, 6 September 2024

As at the date of this announcement, the Board comprises (1) Mr. Fan Zhixin (Co-Chairman) as the executive Director, (2) Mr. Chen Yunwei and Mr. Tian Rui (Co-Chairman) as the non-executive Directors and (3) Mr. Leung Shu Sun, Sunny, Ms. Shao Qiongqiong and Ms. Yin Xuhong as the independent non-executive Directors.