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DIWANG INDUSTRIAL HOLDINGS LIMITED

帝王實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

This announcement is made by Diwang Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis, in order to keep our shareholders and potential investors informed about the latest business developments of our company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 27 December 2023, the Company and Zhejiang Tianniu Yuanqi Digital Culture Industrial Holdings Group Limited* (浙江天牛元啟數字文化產業控股集團有限公司) (“**Tianniu Yuanqi**”), a company incorporated in the People’s Republic of China (“**PRC**”), entered into a memorandum of understanding (the “**MOU**”), pursuant to which the parties (or their designated subsidiaries) intend to establish a new company (the “**Target Company**”) in the PRC. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Tianniu Yuanqi and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

THE MOU

The Target Company will be mainly engaged in providing users with a complete digital intelligence life, digital health, digital intelligence energy, digital intelligence film industry, and digital intelligence culture based on big data, AI, cloud computing, Internet of Things, and blockchain technology. The solution also provides a comprehensive health industry that combines accurate data empowerment, new media empowerment and consumer empowerment, including health industry, food and beverage sales and promotion. It is expected that by integrating the entire liquor industry chain that the Company intends to develop and Tianniu Yuanqi’s AI digital ecosystem, together with the sales promotion and services of high-end customized products as the core, the Target Company will build a sales network covering the entire PRC, thereby achieving goals of its partners.

The MOU will last (i) for a period of ninety (90) days from the date of the MOU; or (ii) until a termination date agreed in writing by all parties; or (iii) until any party breaches the relevant MOU. The confidentiality provisions contained herein will remain in effect until, whichever is earlier (the “**Exclusivity Period**”). The parties will not engage in any form of discussion or negotiation or enter into any agreement with any other interested parties regarding the possible establishment of a target company with any third party during the Exclusive Period.

The amount of capital contribution and other terms related to the establishment of the Target Company will be set out in the formal and legally binding shareholder cooperation agreement to be entered into by both parties.

Except for certain provisions (including but not limited to confidentiality, exclusivity period and termination), the MOU does not create legally binding obligations on its parties.

INFORMATION ABOUT TIANNIU YUANQI

Based on the information provided by Tianniu Yuanqi, Tianniu Yuanqi is a cultural technology enterprise dedicated to innovative digital intelligence. It relies on the advantages of the digital intelligence industry ecology of Zhejiang Aizhi Holding Group Co., Ltd.* (浙江愛知道控股集團有限公司) and is based on big data, AI, cloud computing, Internet of Things, and blockchain technology. With leading core capabilities in artificial intelligence and big data services, and through the in-depth application and implementation of technology, it provides users with complete solutions covering digital life, digital health, digital intelligence energy, digital film industry, and digital culture. At the same time, it provides enterprises with accurate data empowerment, new media empowerment and integrated consumption empowerment, assists enterprises in digital upgrading and transformation, and promotes in-depth exploration of intelligent enterprises. It aims to be the leader of the AI digital intelligence ecosystem.

Recently, Tianniu Yuanqi has focused on the layout of digital intelligent film and television culture. Through the innovative integration of AI technology + short drama + culture, hundreds of excellent film and television works with great commercial value will be produced. While achieving rapid development, it will also create new cultural business model that will trigger another vitality in the industry and drive a brand new market. In 2024, Tianniu Yuanqi will initiate a new wave of rapid growth with the help of new digital industry applications.

REASONS AND BENEFITS OF POSSIBLY ESTABLISHING THE TARGET COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of faux leather chemicals and Chinese liquor.

The Directors have been actively seeking opportunities to expand the Group's business scope and broaden the income stream of the Group. As a Hong Kong listed company, the company has the advantage of promoting and introducing the Target Company's products to Hong Kong and overseas markets. On the other hand, Tianniu Yuanqi has experience and expertise in the AI digital intelligence ecosystem and internet online and offline integrated marketing.

The Board of Directors believes that entering into the MOU provides the Group with good business opportunities to expand the business in the PRC and align with the Group's long-term development goals and business development strategies. The directors believe that establishing and investing in the Target Company will enhance the Group's future profitability and bring potential profit growth points to its parties. This move is in the overall interests of the Company and shareholders.

GENERAL

Shareholders of the Company and potential investors should note that the MOU only sets out the intentions of the parties to the possible establishment of the Target Company, and the MOU will not be legally binding on the parties and will not create statutory obligations. If a legally binding and formal agreement has been agreed and/or signed, the Company will make a further announcement in due course in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Diwang Industrial Holdings Limited
Sun Jingang
Executive Director

Hong Kong, 27 December 2023

As at the date hereof, the Board comprises Mr. Chen Hua, Mr. Lam Kam Kong Nathaniel, Mr. Sun Jingang and Mr. Tse Chun Chung as executive Directors; Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent nonexecutive Directors.

* *English translation of the name for identification only*