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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)

COMPLETION OF ISSUE OF NEW SHARES UNDER THE GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) of China Art Financial Holdings Limited (the “**Company**”) published on 2 April 2024 in relation to issue of new Shares under the General Mandate. Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all the conditions precedent set out in the Subscription Agreement had been fulfilled and the Completion of the Subscription took place on 26 April 2024. Upon the Completion of the Subscription, 12,500,000 Subscription Shares, representing approximately 0.74% of the issued share capital of the Company as at the date of this announcement as enlarged by the Subscription, have been issued to the Subscriber at the Subscription Price of HK\$0.12 per Subscription Share.

The gross proceeds from the Subscription will be approximately HK\$1,500,000 and the net proceeds from the Subscription will be approximately HK\$1,450,000 after deducting professional fees and all relevant expenses, representing the net price of approximately HK\$0.116 per Subscription Share. The Company intends to use the net proceeds raised from the Subscription for the project of the potential incorporation of a joint venture company, which will provide software service of centralized settlement systems for various community retail scenarios.

Upon the Completion of the Subscription, the Subscriber has not become a substantial shareholder of the Company.

The table below sets out a summary of the shareholding structure of the Company (i) immediately before the allotment and issue of the Subscription Shares; and (ii) immediately after the allotment and issue of the Subscription Shares:

	Immediately before the allotment and issue of the Subscription Shares		After the date of Completion and the allotment and issue of the Subscription Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Intelligenesis Investment Co., Ltd.	1,000,768,000	59.64	1,000,768,000	59.20
The Subscriber	—	—	12,500,000	0.74
Public Shareholders	<u>677,232,000</u>	<u>40.36</u>	<u>677,232,000</u>	<u>40.06</u>
Total	<u><u>1,678,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,690,500,000</u></u>	<u><u>100.00</u></u>

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

Hong Kong, 26 April 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.