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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 POTENTIAL ACQUISITION OF A LICENSED CORPORATION UNDER THE SECURITIES AND FUTURES ORDINANCE

This announcement is made voluntarily by China Art Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the shareholders and potential investors of the Company of the latest business development of the Group.

POTENTIAL ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 9 July 2026, the Company entered into a non-legally binding letter of intent (the “**Letter of Intent**”) with the vendor, pursuant to which the Company intends to acquire from the vendor 100% of the issued share capital of Sauder Global Investment Management Limited (尚德全球投資管理有限公司) (the “**Target Company**”) (the “**Potential Acquisition**”). The Target Company is a licensed corporation carrying on businesses in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) (the “**SFC Licence**”).

As at the date of this announcement, no binding agreement has been signed by the parties in respect of the Potential Acquisition, and the parties are negotiating the terms of the Potential Acquisition.

EXCLUSIVITY PERIOD

The vendor has agreed that it shall not, within 60 days after the signing of the Letter of Intent (the “**Exclusivity Period**”), conduct any discussion, negotiation or arrangement or enter into any agreement with any other party in relation to the disposal of the Target Company, and the Exclusivity Period may be extended by mutual written consent of the vendor and the Company.

DUE DILIGENCE

The Company will have the right to conduct due diligence on the Target Company during the Exclusivity Period (including its SFC Licence compliance status, financial position, legal compliance, business contracts and personnel arrangements, etc.).

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

The Group is principally engaged in the provision of art financial service, including art and assets pawn, auction and sales businesses. The Group considers that the Potential Acquisition is a strategic move that will allow the Group to enter the regulated financial services sector quickly without going through the lengthy licensing approval process, significantly saving the time required to obtain regulatory approvals.

By acquiring the Target Company, the Group can rely on the Target Company's existing operational foundation, compliance framework and regulatory system to significantly shorten the business implementation cycle. The Group plans to upgrade the SFC Licence to provide virtual asset trading services after the completion of the acquisition, thereby laying a solid foundation for in-depth participation in the digital asset sector.

In addition, the Potential Acquisition has deep synergistic effects with the Group's core strengths in the art finance sector. The Group has accumulated rich experience in art appraisal, valuation and customer resources. The combination of these strengths with the Target Company's financial services licence will help the Group build an innovative model integrating "Art Finance + Real World Assets (RWA)", broaden its service scope, enhance customer stickiness, and diversify its sources of revenue.

From a long-term strategic perspective, the Potential Acquisition will also reserve key resources and consolidate the foundation for the Group's development, and is a critical step in promoting the Group's transformation from traditional art financial services to digital integrated financial services.

GENERAL

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Potential Acquisition, if materialised, may constitute a notifiable transaction of the Company and is subject to the relevant announcement, circular and/or shareholders' approval requirements under Chapter 14 of the Listing Rules. As at the date of this announcement, the terms and conditions of the Potential Acquisition are still under negotiation and no legally binding agreement has been entered into. The Potential Acquisition is subject to the execution of a formal agreement between the Company and the vendor and the obtaining of relevant regulatory approvals. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

The Potential Acquisition may or may not proceed. Shareholders and investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHINA ART FINANCIAL HOLDINGS LIMITED
Liu Changsheng
Co-Chairman and Executive Director

Hong Kong, 9 July 2026

As at the date of this announcement, the Board comprises (1) Mr. Liu Changsheng (Co-Chairman), Mr. Tang Yimo, Mr. Chen Peng and Mr. Yan Chuanjiang as the executive Directors, (2) Mr. Tian Rui (Co-Chairman) and Ms. Fan Qinzhi as the non-executive Directors and (3) Mr. Leung Shu Sun, Sunny, Mr. Wang Xiaoyong, Mr. Chan Chun Kit and Mr. Deng Guohong as the independent non-executive Directors.