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CENTRAL HOLDING GROUP CO. LTD.

中環控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1735)

ANNOUNCEMENT

PURSUANT TO RULES 13.51B(2) AND 13.51(2) OF THE LISTING RULES

This announcement is made by Central Holding Group Co. Ltd. (the “**Company**”) pursuant to Rules 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

Dr. Zhou Chunsheng (“**Dr. Zhou**”), being an independent non-executive director of the Company (a “**Director**”), is also an independent director of Kunwu Jiuding Investment Holdings Co., Ltd (“**Kunwu Holdings**”), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600053).

The Company was notified on 8 October 2021 that an announcement was made by Kunwu Holdings on 25 September 2021 in relation to, among other things, the receipt of a decision on administrative supervision measures (《中國證券監督管理委員會江西監管局行政監管措施決定書》) (the “**Decision**”) from Jiangxi Regulatory Bureau (the “**Bureau**”) of China Securities Regulatory Commission (中國證券監督管理委員會江西監管局) (the “**CSRC**”) by Kunwu Holdings and the secretary to the board of directors of Kunwu Holdings (the “**Kunwu Secretary**”).

Pursuant to the Decision, investigations had been carried out and there was an incident of irregularity (the “**Incident**”) on the part of Kunwu Holdings, details of which are set out below:

- (i) In December 2020, Kunwu Holdings applied to the court to provide the property situated at 31, Block B, Zijincheng, 112 Dongjiayao Road, Donghu District, Nanchang City, Jiangxi Province, the PRC, as guarantee for its subsidiary, namely 昆吾九鼎投資管理有限公司 (for transliteration purpose only, Kunwu Jiuding Investment Management Co., Ltd.) (the “**Kunwu Subsidiary**”), to replace the Kunwu Subsidiary’s frozen bank account funds of RMB42.4 million. As at 31 December 2020, the book value of the said property was RMB33,503,100, representing approximately 1.28% of the unaudited net asset value of Kunwu Holdings last year.

- (ii) The board of directors of Kunwu Holdings has failed to deliberate on the aforementioned matter and to fulfil the disclosure requirements to issue an announcement in relation to the same in a timely manner. The aforementioned matter was only disclosed in the 2020 annual report of Kunwu Holdings on 15 April 2021. Kunwu Holding has therefore breached the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》(證監會令第40號)) and the Notice on Regulating External Guarantee Behaviour of Listed Companies (《關於規範上市公司對外擔保行為的通知》(證監發[2005]120號)). The Kunwu Secretary, being the person in charge of the company's information disclosure, has failed to perform his duties diligently and was primarily responsible for the Incident.
- (iii) The Bureau decided to take administrative supervision measures to issue a warning letter to Kunwu Holdings and the Kunwu Secretary, and the same shall be recorded in the integrity file of the CSRC. Kunwu Holdings shall comprehensively review and strengthen in areas including corporate governance, internal control and information disclosure, and investigate whether there are other similar breaches. Kunwu Holdings shall submit a written report to the Bureau within 30 days from the date of receipt of the Decision. If there is any disagreement in respect of the Decision, Kunwu Holdings may file an application for reconsideration with the CSRC within 60 days from the date of receipt of the Decision; or initiate a legal proceeding in a people's court within six months from the date of receipt of the Decision.

To the Directors' best knowledge, information and belief, Dr. Zhou is not involved in the day-to-day management of Kunwu Holdings, and has not been subject to any sanction, administrative penalty or criticism by the CSRC and the Shanghai Stock Exchange.

The board of Directors (the "**Board**"), except Dr. Zhou, has assessed the Incident and is of the view that Dr. Zhou would still be qualified as an independent non-executive Director since (i) he was not involved in the day-to-day management of Kunwu Holdings; (ii) there was no wrongful act on his part leading to Incident; (iii) he was not subject to any sanction, administrative penalty or criticism by the CSRC and the Shanghai Stock Exchange in respect of the Incident; and (iv) as at the date of this announcement, he was not aware of any actual or potential claim that had been or would be made against him as a result of the Incident.

As such, the Board (including the nomination committee of the Board but excluding Dr. Zhou) is satisfied that Dr. Zhou will be able to continue to hold office and fulfil his duties as an independent non-executive Director and a member of nomination committee and remuneration committee of the Company, and the above Incident has not had and will not have any impact on the business, daily operation and financial position of the Group nor impair Dr. Zhou's suitability to act as an independent non-executive Director.

Save as disclosed in this announcement, the Company is not aware of any other information on the above matter which needs to be brought to the attention of shareholders of the Company and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

By Order of the Board
Central Holding Group Co. Ltd.

Yu Zhuyun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 11 October 2021

As at the date of this announcement, the executive Directors are Mr. Yu Zhuyun (Chairman and Chief Executive Officer) and Mr. Li Menglin; the non-executive Directors are Mr. Qiao Xiaoge and Ms. Zhu Yujuan; and the independent non-executive Directors are Dr. Li David Xianglin, Mr. Wang Wenxing and Dr. Zhou Chunsheng.