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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)**

### **PROPOSED SHARE SUBDIVISION**

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The Board proposes to subdivide each existing issued and unissued Share of HK\$0.01 each into four Subdivided Shares of HK\$0.0025 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$50,000,000 divided into 20,000,000,000 Subdivided Shares, of which 1,056,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Subdivided Shares will rank *pari passu* in all respects with the Shares in issue prior to the Share Subdivision and the rights attaching to the Subdivided Shares will not be affected by the Share Subdivision. An application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subdivided Shares in issue and to be issued upon the Share Subdivision becoming effective. All necessary arrangements will be made for the Subdivided Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged with 2,000 Subdivided Shares for each board lot.

It is expected that no odd lot of Shares other than those that already exist will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchases of odd lots in connection with the Share Subdivision will be made.

## **GENERAL**

The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” of this announcement. The EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the Share Subdivision. No Shareholders will be required to abstain from voting at the EGM. The Circular containing the information regarding, among other things, (i) details of the Share Subdivision, (ii) the trading arrangements in respect of the Subdivided Shares and (iii) a notice convening the EGM will be despatched to the Shareholders on or before 17 July 2020.

## **PROPOSED SHARE SUBDIVISION**

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each, of which 264,000,000 Shares have been issued and are fully paid or credited as fully paid. The Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.01 each into four Subdivided Shares of HK\$0.0025 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$50,000,000 divided into 20,000,000,000 Subdivided Shares, of which 1,056,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” of this announcement. The Subdivided Shares will rank *pari passu* in all respects with the Shares in issue prior to the Share Subdivision and the rights attaching to the Subdivided Shares will not be affected by the Share Subdivision. An application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subdivided Shares in issue and to be issued upon the Share Subdivision becoming effective. All necessary arrangements will be made for the Subdivided Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional on:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares; and

(c) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Subdivision.

## **BOARD LOT SIZE**

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged with 2,000 Subdivided Shares.

It is expected that no odd lot of Shares other than those that already exist will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchases of odd lots in connection with the Share Subdivision will be made.

## **EXPECTED TIMETABLE**

The expected timetable for the implementation of the Share Subdivision is set out below.

Despatch of the Circular regarding, among other things,  
the Share Subdivision together with notice of the EGM  
and form of proxy ..... Friday, 17 July 2020

Latest time for lodging transfer of Shares  
in order to qualify for attendance and  
voting at the EGM..... 4:30 p.m. on  
Monday, 27 July 2020

Latest time for lodging proxy forms for the EGM  
(not less than 48 hours before the EGM)..... 10:30 a.m. on  
Saturday, 1 August 2020

Closure of register of members for the entitlement  
to attend and vote at the EGM ..... Tuesday, 28 July 2020  
to Monday, 3 August 2020  
(both days inclusive)

Record date for attendance and voting at the EGM ..... Monday, 3 August 2020

Date and time of the EGM ..... 10:30 a.m. or immediately  
after the conclusion of the  
annual general meeting of the  
Company to be held earlier  
on the same date on  
Monday, 3 August 2020

Publication of the poll results of the EGM ..... Monday, 3 August 2020

*The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above:*

Effective date of the Share Subdivision ..... Wednesday, 5 August 2020

Free exchange of Existing Share Certificates for the  
New Share Certificates for the  
Subdivided Shares commences ..... 9:00 a.m. on  
Wednesday, 5 August 2020

Dealings in the Subdivided Shares commence..... 9:00 a.m. on  
Wednesday, 5 August 2020

Original counter for trading in existing Shares  
in board lots of 2,000 Shares (in the form of  
Existing Share Certificates) temporarily closes..... 9:00 a.m.  
on Wednesday, 5 August 2020

Temporary counter for trading in the Subdivided Shares  
in board lots of 8,000 Subdivided Shares  
(in the form of Existing Share Certificates) opens ..... 9:00 a.m. on  
Wednesday, 5 August 2020

Original counter for trading in Subdivided Shares  
in board lots of 2,000 Subdivided Shares  
(in the form of New Share Certificates) reopens ..... 9:00 a.m. on  
Wednesday, 19 August 2020

Parallel trading in the Subdivided Shares  
(in the form of Existing Share Certificates and  
New Share Certificates) commences..... 9:00 a.m. on  
Wednesday, 19 August 2020

Temporary counter for trading in Subdivided Shares  
in board lots of 8,000 Subdivided Shares (in the  
form of Existing Share Certificates) closes..... 4:10 p.m. on  
Tuesday, 8 September 2020

Parallel trading in the Subdivided Shares  
(in the form of Existing Share Certificates and  
New Share Certificates) ends..... 4:10 p.m. on  
Tuesday, 8 September 2020

Last day for free exchange of Existing Share Certificates  
for New Share Certificates for the Subdivided Shares ends ..... 4:30 p.m. on  
Thursday, 10 September 2020

*Notes:*

- 1 All times and dates refer to Hong Kong local times and dates.
- 2 Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) as and when appropriate and in accordance with the Listing Rules.

## **EXCHANGE OF SHARE CERTIFICATES**

Subject to the Share Subdivision becoming effective, Shareholders may submit their Existing Share Certificate(s) to the branch share registrar and transfer office of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, in exchange for the New Share Certificates free of charge between 9:00 a.m. and 4:30 p.m. on any business day from Wednesday, 5 August 2020 to Thursday, 10 September 2020 (both dates inclusive). It is expected that the New Share Certificate(s) will be available for collection within 10 Business Days after the submission of the Existing Share Certificate(s) to Boardroom Share Registrars (HK) Limited for exchange.

From Wednesday, 11 September 2020 onwards, exchange of Existing Share Certificate(s) for New Share Certificate(s) can only be made at a cost of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates involved is higher.

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 19 August 2020 and thereafter will not be accepted for delivery, trading and settlement purposes. However, all Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for four (4) Subdivided Shares. New Share Certificates will be issued in light green colour in order to distinguish them from the Existing Share Certificates which are in blue colour.

## **REASONS FOR THE SHARE SUBDIVISION**

The proposed Share Subdivision will decrease the nominal value and trading price of each Share and increase the total number of shares of the Company in issue. The Board is of the view that the Share Subdivision will improve the liquidity in the trading of the shares in the Company and broaden its Shareholders' base appeal to more investors. As a result, the Share Subdivision is expected to result in downward adjustment to the trading price of each Share and the market value per board lot of Shares. Based on the closing price of HK\$14.860 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value per board lot of 2,000 Shares is HK\$29,720. The estimated market value per board lot of 2,000 Subdivided Shares will theoretically be reduced to HK\$7,430 immediately upon the Share Subdivision becoming effective. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to buy and sell shares of the Company, which will in turn facilitate the Company's growth and development in the future. As at the date of this announcement, the Company has no concrete plan for any fund raising activities.

Other than the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the shareholding, rights and interests of Shareholders as a whole.

In view of the above, the Board considers that the implementation of the Share Subdivision is in the interests of the Company and its Shareholders as a whole and would not have any adverse effect on the financial position of the Company.

## **GENERAL**

The Circular containing the information regarding, among other things, (i) details of the Share Subdivision, (ii) the trading arrangements in respect of the Subdivided Shares and (iii) a notice convening the EGM will be despatched to the Shareholders on or before 17 July 2020.

The EGM will be convened and held to consider and, if thought fit, pass an ordinary resolution to approve the Share Subdivision and the matters contemplated thereunder. As no Shareholder has a material interest in the Share Subdivision which is different from other Shareholders, no Shareholder is required to abstain from voting at the EGM.

## **DEFINED TERMS IN THIS ANNOUNCEMENT**

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong
“Company”	Central Holding Group Co. Ltd., an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1735)
“Circular”	the circular containing further details of the Share Subdivision and a notice convening the EGM, to be despatched to the Shareholders as soon as practicable
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if appropriate, approve the Share Subdivision and the matters contemplated thereunder
“Existing Share Certificate(s)”	existing form of certificate(s) of the Shares
“Group”	the Company and its subsidiaries

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	form of certificate(s) of the Subdivided Shares
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Subdivision”	the proposed share subdivision of every existing Share (both issued and unissued) of par value of HK\$0.01 into four shares of par value of HK\$0.0025 each as referred to in the paragraph headed “Proposed Share Subdivision”
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company immediately after the Share Subdivision becoming effective
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

On behalf of the board of  
**Central Holding Group Co. Ltd.**  
**Yu Zhuyun**  
*Chairman, Chief Executive Officer  
and Executive Director*

Hong Kong, 29 June 2020

*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, Mr. Gao Jian and Ms. Zhu Yujuan; and the independent non-executive Directors are Dr. Li David Xianglin, Mr. Wang Wenxing and Dr. Zhou Chunsheng.*