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CENTRAL HOLDING GROUP CO. LTD.

中環控股集團有限公司

(formerly known as “Wang Yang Holdings Limited 泓盈控股有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1735)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 18 November 2019.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made by Central Holding Group Co. Ltd. (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 18 November 2019.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 6 December 2019.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 18 November 2019, a group of 19 Shareholders held an aggregate of 51,296,000 shares of the Company (the “**Shares**”), representing 19.43% of the issued Shares. Such shareholding, together with an aggregate of 198,000,000 Shares (representing 75.00% of the issued Shares) held by the controlling shareholder of the Company, represented 94.43% of the issued Shares as at 18 November 2019. Therefore, only 14,704,000 Shares (representing 5.57% of the issued Shares) were held by other Shareholders.

As stated in the SFC Announcement, as at 18 November 2019, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Central Culture Resource Group Limited (<i>Note</i>)	198,000,000	75.00
A group of 19 Shareholders	51,296,000	19.43
Other Shareholders	<u>14,704,000</u>	<u>5.57</u>
Total	<u><u>264,000,000</u></u>	<u><u>100.00</u></u>

Note: Central Culture Resource Group Limited is wholly owned by Mr. Yu Zhuyun, an executive Director and chairman of the Company.

As stated in the SFC Announcement:

1. The Shares were listed on the Main Board of the Stock Exchange by way of public offer and placing of a total of 66,000,000 Shares (representing 25% of the issued Shares) at HK\$1.50 per Share on 29 March 2018.
2. On 16 August 2019, the Company announced that Central Culture Resource Group Limited acquired 198,000,000 Shares (representing 75% of the issued Shares) from the Company's previous controlling shareholder, Profound Contractors Limited, at HK\$2.1212 per Share, triggering an unconditional mandatory cash offer at HK\$2.1213 per Share, which represented a discount of 47.6% to the pre-announcement closing price of HK\$4.05 on 8 August 2019.
3. Subsequently during the two trading days on 19 August 2019 and 20 August 2019, the closing price of the Shares increased by a total of 48.1% to close at HK\$6.00, with an average daily turnover of 1,153,250 Shares.
4. The share price then fell gradually to close at HK\$4.66 on 4 October 2019, while the average daily turnover also decreased to 158,797 Shares. After market close on 4 October 2019, the Company announced the close of the unconditional mandatory cash offer and no valid acceptances in respect of the offer Shares were received by the offeror. As a result, 66,000,000 Shares or 25.00% of issued Shares were held by the public.
5. Since then, the price of the Shares increased again and closed at HK\$8.80 on 4 December 2019, up 88.8% from the closing price of HK\$4.66 on 4 October 2019 and 117.3% from the closing price of HK\$4.05 on 8 August 2019.
6. Since 4 October 2019, the Company had made, inter alia, the following announcements:
 - (a) On 25 October 2019, the Company issued a profit warning, expecting to record a loss for the six months ended 30 September 2019 comparing with a net profit recorded for the corresponding period in 2018.

- (b) On 31 October 2019, the Company announced a discloseable transaction in relation to the acquisition of state-owned land use rights in PRC at a consideration of RMB18,210,000 (equivalent to approximately HK\$20,225,483).
- (c) On 29 November 2019, the Company announced the interim results for the six months ended 30 September 2019, reporting a loss attributable to owners of the Company of HK\$7,344,000, as compared to a profit attributable to owners of the Company of HK\$4,273,000 recorded for the same period in 2018.
7. As at 5 December 2019, the price of the Shares closed at HK\$8.88 which was 119.3% higher than the closing price of HK\$4.05 on 8 August 2019.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to clarify that the above information is extracted from the SFC Announcement and the Board has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the shareholdings of Central Culture Resource Group Limited in the Company based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) the information set out in paragraphs (1) to (7) above. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the Company’s issued Shares are held in public hands as at the date of this announcement and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
Central Holding Group Co. Ltd.
Yu Zhuyun
Chairman and executive Director

Hong Kong, 9 December 2019

As at the date of this announcement, the executive Directors are Mr. Yu Zhuyun (Chairman) and Mr. Zhu Fei (Chief Executive Officer); 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.