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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ENTERING INTO OF THE SALES AGENCY AGREEMENTS

This announcement is made by Central Holding Group Co. Ltd. (the “**Company**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 10 February 2022 (after trading hours), Shanghai Yuneryu Medical Equipment Co., Ltd.* (上海雲爾愈醫療器械有限公司) (“**Shanghai Yuneryu**”), a subsidiary of the Company, entered into a sales agency agreement in relation to the sales agency and market promotion of the Haiying Focused Ultrasound Non-invasive Treatment Equipment (the “**Products**”) with each of Wuxi Haiying Medical Technology Co., Ltd.* (無錫海鷹醫療科技股份有限公司) (“**Haiying Medical**”) and Sinopharm Holding Medical Instruments Co., Ltd.* (國藥控股醫療器械有限公司) (“**Sinopharm Medical**”) respectively.

THE GENERAL SALES AGENCY AGREEMENT WITH HAIYING MEDICAL

The principal terms of the general sales agency agreement entered into with Haiying Medical (the “**Haiying Agreement**”) are set out below:

Date: 10 February 2022 (after trading hours)

Parties: (1) Haiying Medical
(2) Shanghai Yuneryu

Scope of cooperation: The parties intend to reach a strategic cooperation to promote mutual development.

Haiying Medical shall authorise Shanghai Yuneryu to be the general sales agent for the Products in the People’s Republic of China (the “**PRC**”), and Shanghai Yuneryu shall carry out the market promotion and agency sales of the Products in the PRC.

Subject to the terms and conditions of the Haiying Agreement, the parties may continue to further their cooperation on the subsequent upgrades and iterations of the Products and related derivative services and products.

Term: Subject to the terms and conditions of the Haiying Agreement, the term is from 1 January 2022 to 31 December 2026. After the term, the parties may negotiate for renewal.

Payment terms: Haiying Medical shall sell the Products to Shanghai Yuneryu or its designated parties and the parties shall enter into separate sales order contracts to set out further details.

Rights and Obligations of Haiying Medical:

- (a) Subject to the terms and conditions of the Haiying Agreement, Haiying Medical shall not set up similar agencies in the PRC.
- (b) Haiying Medical shall provide Shanghai Yuneryu with relevant qualification documents and materials in relation to the Products, and technical support services during the term of cooperation.
- (c) Haiying Medical shall allow Shanghai Yuneryu to be preferentially included in certain cooperation projects and enjoy prices as a general agent.
- (d) Subject to the terms and conditions of the Haiying Agreement, Haiying Medical shall provide support and subsidy to Shanghai Yuneryu's marketing costs and expenses.
- (e) Subject to the terms and conditions of the Haiying Agreement, Haiying Medical shall give Shanghai Yuneryu priority to renew the Haiying Agreement under the same terms and conditions.

Rights and Obligations of Shanghai Yuneryu:

- (a) Shanghai Yuneryu shall be responsible for the market development of the Products in the PRC and shall bear the costs and expenses arising therefrom.
- (b) Shanghai Yuneryu shall form a professional marketing team to sell and promote the Products.
- (c) Shanghai Yuneryu shall set the wholesale and retail prices of its regional agency system in accordance with the pricing guidance of Haiying Medical.

- (d) Shanghai Yuneryu shall not operate other products directly or indirectly in competition with the Products.
- (e) Shanghai Yuneryu shall cooperate with Haiying Medical and formulate relevant work plans and systems.
- (f) Shanghai Yuneryu shall seek the prior consent of Haiying Medical for the authorisation of setting up sub-agencies.
- (g) Shanghai Yuneryu shall be subject to complete certain objectives and assessments during the term of cooperation, and Haiying Medical may implement certain rewards or punishments consequential thereto.

INFORMATION ABOUT HAIYING MEDICAL

Haiying Medical is a company established in the PRC in January 2017 and is a subsidiary of China Shipping Group Co Ltd. Haiying Medical is principally engaged in the promotion of the scientific research and production, clinical application and commercial transformation of the high intensity focused ultrasound (HIFU) technology in the field of medical non-invasive treatments.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Haiying Medical and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Independent Third Parties**").

THE SHANGHAI REGIONAL SALES AGENCY AGREEMENT WITH SINOPHARM MEDICAL

The principal terms of the Shanghai regional sales agency agreement entered into with Sinopharm Medical (the "**Sinopharm Agreement**") are set out below:

Date: 10 February 2022 (after trading hours)

Parties: (1) Shanghai Yuneryu
(2) Sinopharm Medical

Scope of cooperation: The parties intend to reach a cooperation to promote mutual development.

Shanghai Yuneryu shall authorise Sinopharm Medical to be the sales agent for the Products in the Shanghai region and Sinopharm Medical shall carry out the market promotion of the Products in the Shanghai region.

Shanghai Yuneryu may further authorise Sinopharm Medical to be the sales agent for the Products in other provinces and the parties may continue to further their cooperation on the subsequent upgrades and iterations of the Products and related derivative services and products.

Term: The term is from 10 February 2022 to 31 December 2022. After the term, the parties may negotiate for renewal.

Payment terms: Shanghai Yuneryu shall sell the Products to Sinopharm Medical or its designated parties and the parties shall enter into separate sales order contracts to set out further details.

Rights and Obligations of Shanghai Yuneryu: (a) Shanghai Yuneryu shall not set up similar agencies in the Shanghai region.

(b) Shanghai Yuneryu shall procure the manufacturer to provide Sinopharm Medical with relevant qualification documents and materials in relation to the Products, and technical support services during the term of cooperation.

(c) Shanghai Yuneryu shall allow Sinopharm Medical to be preferentially included in certain cooperation projects and enjoy prices as an agent of the Shanghai region.

(d) Shanghai Yuneryu shall coordinate with the manufacturer to provide basic services and 1 year warranty services for the Products to Sinopharm Medical.

(e) Shanghai Yuneryu shall give Sinopharm Medical priority to renew the Sinopharm Agreement under the same terms and conditions.

Rights and Obligations of Sinopharm Medical: (a) Sinopharm Medical shall cooperate with Shanghai Yuneryu for the market development of the Products in the Shanghai region.

(b) Sinopharm Medical shall be equipped with corresponding marketing personnel to sell and promote the Products.

(c) Sinopharm Medical shall not operate other products directly in competition with the Products.

(d) Sinopharm Medical shall cooperate with Shanghai Yuneryu and formulate relevant work plans and systems.

(e) Sinopharm Medical shall be subject to complete certain objectives and assessments during the term of cooperation, and Shanghai Yuneryu may implement certain rewards or punishments consequential thereto.

INFORMATION ABOUT SINOPHARM MEDICAL

Sinopharm Medical is a company established in the PRC in July 2006 and is a wholly-owned subsidiary of Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), which is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 1099). Sinopharm Medical is principally engaged in the distribution of medical instruments in the PRC and is an integrated service operator of medical instruments integrating product research and development cooperation, sales agency, logistics distribution and after sales service.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Sinopharm Medical and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES AGENCY AGREEMENTS

Shanghai Yuneryu has three types of medical equipment business license qualifications in the PRC, and has rich sales and business resources in the fields of health and medical care. The Board believes that the cooperation as contemplated by and outlined in the Haiying Agreement and the Sinopharm Agreement (together, the “**Agreements**”) will allow the Group to leverage its extensive experience in the PRC and provide it with opportunities in the health and medical business in the PRC. The Board also believes that the cooperation may expand the Group's business scope, broaden its income sources and enhance its financial performance. Thus, the Board considers that the cooperation will be beneficial to the Group's future growth and will be in the interests of the Company and its shareholders as a whole.

The Directors are of the view that the entering into of the Agreements is in the ordinary and usual course of business of the Company and considers that the terms of the Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole and have been negotiated on an arm's length basis and on normal commercial terms. The Board wishes to state that no forecast or prediction of the profits of the Group has been made with regard to the Agreements.

* *For identification purpose only*

By Order of the Board
Central Holding Group Co. Ltd.
Yu Zhuyun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 10 February 2022

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.