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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 FRAMEWORK AGREEMENT**

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 18 July 2022 (after trading hours), the Company, has entered into a framework agreement (the “**Framework Agreement**”) with Fengtai County People’s Government\* (鳳台縣人民政府) (“**Fengtai County People’s Government**”) and Jiangsu Zhongqing Photovoltaic Technology Co., Ltd.\* (江蘇中清光伏科技有限公司) (“**Jiangsu Zhongqing**”), pursuant to which the Company and Jiangsu Zhongqing plan to jointly invest in the Zhonghuan Zhongqing (Fengtai) New Energy Photovoltaic Industry Base Project (中環中清(鳳台)新能源光伏產業基地項目) (the “**Project**”) in Fengtai County.

### **FRAMEWORK AGREEMENT**

Pursuant to the Framework Agreement, the Company and Jiangsu Zhongqing plan to invest in the construction of 10GW of high-efficiency N-type battery and 10GW of advanced component and to commence the production and supply business in Fengtai County. The total investment is expected to be about RMB6.8 billion (including working capital) and will occupy around 800–1,200 mu of land. The construction will be carried out in three phases: Phase I construction of the 2GW component and 2GW battery project with an estimated investment of RMB1.5 billion (including working capital); Phase II construction of the 3GW battery project with an estimated investment of RMB1.5 billion; and Phase III construction of 5GW battery and 8GW component project will be forming a photovoltaic industry ecological chain agglomeration, with an estimated investment of RMB3.8 billion. The factory for Phase II will be constructed simultaneously with Phase I, and the equipment will be put into production in stages. Phase I and Phase II will occupy around 400–500 mu of land, and the construction period will not exceed 24 months. Phase III will occupy around 600–800 mu of land.

\* *For identification purposes only*

The construction of Phase I and Phase II is planned to start in 2022 and is expected to be completed and put into production in 2023. After Phase I construction is completed and put into production, the revenue will be about RMB4 billion per annum; after Phase II construction is completed and put into production, it is expected to achieve a revenue of RMB8 billion per annum.

The Company and Jiangsu Zhongqing will set up a joint venture company in Hong Kong, which will be used to establish a foreign-investment company (the “**Project Company**”) in Fengtai County. The Project Company will invest in the establishment of a battery manufacturing subsidiary and a component manufacturing subsidiary respectively.

Under the Framework Agreement, Fengtai County People’s Government has agreed to, among others, (a) strive to provide sufficient land required for the Project; (b) provide the Project Company with various administrative approval support and preferential policies related to project investment, construction and production; and (c) coordinate with relevant entities and provide convenient conditions for the Project Company to obtain working capital loans.

The Project Company may seek for listing on a domestic or overseas stock exchange if its future operating financial data and compliance can satisfy the listing requirements of the relevant stock exchange. The Framework Agreement also provided certain taxation requirements for the Project Company.

Save for certain confidentiality obligations, the Framework Agreement is non-legally binding. The specific cooperation matters contemplated under the Framework Agreement are subject to the entering into of a specific formal cooperation agreement between the parties. Should these specific cooperation matters be proceeded, the Company will make further announcement(s) as and when appropriate and will comply with all other applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## **INFORMATION ABOUT JIANGSU ZHONGQING**

Jiangsu Zhongqing principally engaged in production and supply of photovoltaic batteries and photovoltaic components. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Jiangsu Zhongqing and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT**

As disclosed in the annual report of the Company published on 28 April 2022, the Group aims to generate long-term value for the shareholders of the Company (the “**Shareholders**”) through the strategic investment and pre-IPO investment in high growth industries. Based on the entering into of the Framework Agreement, the Group will develop a green and low-carbon photovoltaic integrated business under its existing business foundation of construction and building works and further develop in the low-carbon new energy industry.

The Board considers that the entering into of the Framework Agreement could expand the Group’s business opportunity. The Project will enhance the corporate development of the Group which will be in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 18 July 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.*