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中国忠旺控股有限公司*
China Zhongwang Holdings Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 01333)

INSIDE INFORMATION

**TERMINATION OF PROPOSED SPIN-OFF OF
LIAONING ZHONGWANG GROUP THROUGH
ASSET RESTRUCTURING WITH CRED HOLDING**

This announcement is made by China Zhongwang Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

We refer to the announcements dated 20 March 2020, 14 April 2020, 22 April 2020, 29 April 2020 and 14 August 2020 of the Company (the “**Announcements**”) in relation to, among others, the proposed Zhongwang Asset Restructuring of the Company. Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the Announcements.

Due to substantial changes of the market environment and after arm’s length negotiation, Zhongwang Fabrication, CRED Holding and the Fund decided not to proceed with, among others, the Zhongwang Asset Restructuring, the Fund Asset Restructuring and the Proposed Spin-off. On 11 August 2021, Zhongwang Fabrication, CRED Holding and the Fund entered into a termination agreement to terminate the Asset Transfer Agreement (the “**Asset Transfer Termination Agreement**”); and on 11 August 2021, Zhongwang Fabrication and CRED Holding entered into a termination agreement to terminate the Compensation Agreement (the “**Compensation Termination Agreement**”).

Pursuant to the Asset Transfer Termination Agreement, (1) the Zhongwang Asset Restructuring, the Fund Asset Restructuring and the Asset Transfer Agreement shall be terminated on the date of the Asset Transfer Termination Agreement, and the terms of the Asset Transfer Agreement shall cease to have any legal binding effect upon the parties thereto and no party shall be entitled to make any claim or demand against the other parties under the Asset Transfer Agreement; and (2) the termination of the Asset Transfer

Agreement does not constitute a breach of contract by either party based on the Asset Transfer Agreement, and there is no dispute, conflict or potential dispute or conflict between the parties to the Asset Transfer Agreement.

Pursuant to the Compensation Termination Agreement, (1) the Compensation Agreement shall be terminated on the date of the Compensation Termination Agreement, and the terms of the Compensation Agreement shall cease to have any legal binding effect upon the parties thereto and no party shall be entitled to make any claim or demand against the other party under the Compensation Agreement; and (2) the termination of the Compensation Agreement does not constitute a breach of contract by either party based on the Compensation Agreement, and there is no dispute, conflict or potential dispute or conflict between the parties to the Compensation Agreement.

By Order of the Board
China Zhongwang Holdings Limited
Lu Changqing
Chairman

Hong Kong, 11 August 2021

As at the date of this announcement, the Board consists of:

Executive Directors

Mr. Lu Changqing and Mr. Wang Fei

Non-executive Directors

Mr. Chen Yan, Mr. Lin Jun and Mr. Wei Qiang

Independent Non-executive Directors

Mr. Wong Chun Wa, Mr. Shi Ketong and Mr. Lo Wa Kei, Roy

* *For identification purpose only*