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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 A STRATEGIC COOPERATION 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 8 May 2023 (after trading hours), Zhonghuan Zhongqing (Anhui) New Energy Photovoltaic Technology Co., Ltd.* (中環中清(安徽)新能源光伏科技有限公司) (“**Zhonghuan Zhongqing**”), an indirect wholly-owned subsidiary of the Company, Fengtai County People’s Government* (鳳台縣人民政府) (“**Fengtai County People’s Government**”) and Huaihe Energy Electricity Group Co., Ltd.* (淮河能源電力集團有限責任公司) (“**Huaihe Energy**”) (collectively, the “**Parties**”, and each of them, a “**Party**”) entered into a strategic cooperation agreement (the “**Agreement**”).

THE AGREEMENT

Pursuant to the Agreement, in order to leverage the advantages of each of the Parties (i.e. the leading role of Fengtai County People’s Government as well as the strength of Huaihe Energy in regional new energy project development and operation and that of Zhonghuan Zhongqing in new energy photovoltaic manufacturing) and further promote the establishment of long-term, effective and stable strategic cooperation and cooperation platforms for, among others, accomplishing the central government’s mission of “Emission Peak, Carbon Neutrality”, the Parties will, based on the principle of “complementary advantages, mutual support, friendly cooperation and joint development”, actively carry out extensive and in-depth cooperation in the field of clean energy.

The Agreement will be valid for 1 year after signing of the Agreement. Mode of cooperation is set out below:

- (a) Each Party will give priority to the other Parties to be its cooperation partners in Fengtai County to jointly carry out in-depth cooperation in photovoltaic equipment supply and photovoltaic power station construction.

- (b) The Parties have agreed to make full use of their own advantages to comprehensively promote the collaboration, development, investment and construction of new energy projects, and to establish a stable, long-term and effective cooperation model. While Zhonghuan Zhongqing has invested in the construction of a manufacturing base for photovoltaic equipment and photovoltaic battery in Fengtai County, (the “**Zhonghuan Zhongqing Industrial Project**”), Fengtai County People’s Government has formulated relevant policies in support. On the other hand, Zhonghuan Zhongqing has agreed to assist in promoting Huaihe Energy’s construction of, among others, the 360,000KW photovoltaic power station project (the “**Huaihe Energy Project**”) in Fengtai County, in accordance with the requirements of such policies.
- (c) According to the “Several Opinions on the High-quality Development of Photovoltaic Manufacturing Industry*” (《關於光伏製造產業高質量發展的若干意見》) issued by Fengtai County, subject to compliance with relevant national laws and rules as well as Huaihe Energy’s internal management regulations, Huaihe Energy will (i) give priority to purchase photovoltaic equipment products manufactured by Zhonghuan Zhongqing when procuring for the Huaihe Energy Project; and (ii) procure that priority will be given to purchase photovoltaic equipment products of not less than 720,000KW manufactured by Zhonghuan Zhongqing in other photovoltaic power station projects of its affiliated group (the “**Huaihe Energy Group**”). In addition, Huaihe Energy will fully support entry of Zhonghuan Zhongqing’s photovoltaic equipment in the equipment procurement list of the Huaihe Energy Group. In this relation, Zhonghuan Zhongqing undertakes that its photovoltaic equipment products will meet the technical requirements of Huaihe Energy’s product procurement.
- (d) Fengtai County People’s Government will, upon the same market conditions, give priority to support Huaihe Energy in utilising the coal mining subsidence area in Fengtai County to carry out project(s) under the mode of “photovoltaic and coal mining subsidence area integrated management”.
- (e) The Parties may jointly cooperate in new energy project(s) in Fengtai County and other areas within Huainan City during the 14th Five-Year Plan period, if they have such intention. Subject to compliance with national laws, rules and industrial policies, the project(s) will be constructed by Huaihe Energy in the form of holding investment. The Parties may further negotiate details of such cooperation.
- (f) If Huaihe Energy or any of its affiliated companies intends, and Zhonghuan Zhongqing agrees, before 30 June 2023, priority will be given to Huaihe Energy or its affiliated companies, upon the same market conditions, to invest in the Zhonghuan Zhongqing Industrial Project. Huaihe Energy and Zhonghuan Zhongqing may further negotiate details of such cooperation.

INFORMATION ON HUAIHE ENERGY

Huaihe Energy, a subsidiary of Huaihe Energy Holding Group Co., Ltd.* (淮河能源控股集團有限責任公司) (“**Huaihe Holdco**”), is a company established in the People’s Republic of China with limited liability. While Huaihe Holdco is a multi-industrial development corporation mainly engaged in coal, electricity and gas businesses, having the largest coal production and electric equity as well as being a key natural gas operation platform in Anhui Province, Huaihe Energy is principally engaged in construction and operation as well as photovoltaic industry management of power plant projects in Anhui Province, including equity management of about 13 power plants. As at the end of 2022, the electric equity managed by Huaihe Energy was approximately 16,000,000KW.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Huaihe Energy and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Board believes that the strategic cooperation as contemplated and outlined in the Agreement will allow the Group to leverage its experience and capabilities in the new energy photovoltaic products market. The Board also believes that the strategic cooperation may expand the Group’s business opportunities as well as realise the green photovoltaic integrated business of the Group, broaden its income sources and enhance its financial performance. Thus, the Board considers the strategic cooperation will be beneficial to the future growth of the Group, and will be in the interests of the Company and its shareholders as a whole.

The Board wishes to state that no forecast or prediction of the profits of the Group has been made with regard to the Agreement.

Shareholders and potential investors should note that the Agreement merely provides a strategic cooperation framework among the Parties for future cooperation, which neither constitutes any agreement or undertaking governing the duties of the Parties in any particular project nor forms the basis on which any of the Parties would otherwise claim against the other Party. The Parties may enter into separate definitive agreement(s) to provide for detailed mode of cooperation and set out the rights and obligations of each Party for the relevant project(s). For such purpose, the management of each Party will, after signing of the Agreement, regularly meet with one another and communicate on any material issue throughout the cooperation so as to establish long-term strategic cooperative relationship as contemplated under the Agreement. In this connection, the Parties will set up a cooperation working committee to finalise detailed terms of, and implement, the cooperation contemplated under the Agreement.

Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

By Order of the Board
Central Holding Group Co. Ltd.

Yu Zhuyun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 8 May 2023

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.

* *For identification purposes only*