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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 DIGITAL ECOLOGY COOPERATION AGREEMENT

Financial Adviser to the Company



Draco Capital Limited

This announcement is made by Central Holding Group Co. Ltd. (the “**Company**”) on a voluntary basis and does not constitute a notifiable transaction of the Company under Chapter 14 or a connected transaction of the Company under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

THE DIGITAL ECOLOGY COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 30 July 2021 (after trading hours at noon), Tencent Cloud Computing (Beijing) Co. Ltd* (騰訊雲計算(北京)有限責任公司) (“**Tencent Cloud**”) and the Company entered into a digital ecology cooperation agreement (the “**Cooperation Agreement**”) in relation to the provision of digital ecology services by Tencent Cloud to Central Holding Group Co. Ltd.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Tencent Cloud and its ultimate beneficial owners is an Independent Third Party to the Company and its connected persons (as defined in the Listing Rules).

THE PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

- Parties: (i) Tencent Cloud
(ii) the Company
- Provision of the digital ecology services: Tencent Cloud shall provide digital ecology services including but not limited to artificial intelligence, big data, cloud computing, internet of things, block chains and internet securities. The cooperation aims to build and create the “digital village and health base platform” for the Company.
- Term: This agreement term is from July 1, 2021 to June 30, 2024, the date of signing. After the agreement period, two parties can negotiate for the renewal.
- Payment method: To be agreed by the two parties by separate agreement.
- Content of the cooperation agreement:
- (1) Cooperation to build a traceability platform for agricultural & health products. The joint cooperation launched will integrate the resources of Tencent Cloud, the government, and cooperative institutions, use their respective advantages, and combine local characteristic resources and policies to build a traceability system with reliable information, efficient operation, clear responsibilities, simple operation, and advanced technology.
 - (2) To create a big data demonstration application platform, agricultural and health base macro analysis models, AI planting models, agricultural products and health product quality and safety analysis models. To build precision marketing, product feedback optimization, supply chain management and relevant control in order to help achieve revenue target, reduce expenditure, local industrial-economic transformation, business upgrading, and support local industrial development.
- Obligations for both parties:
- (i) Tencent Cloud’s Obligations
 - (a) Tencent Cloud shall provide the Company with relevant materials, qualifications, and assistance required by the project.
 - (b) During business activities, Tencent Cloud shall not spread the Company’s proprietary intellectual property rights to third parties.
 - (c) Provide the necessary information in time for the Company’s business activities, including qualifications and various certificates, etc.

(d) For products involving other business partners, Tencent Cloud shall provide the Company with the materials, qualifications and assistance required for cooperation.

(ii) The Company's Obligations

(a) For the Company's customers, the Company will give priority to recommending the products and services provided by Tencent Cloud.

(b) Relevant financial settlement shall be carried out in accordance with the method agreed by both parties.

(c) The Company shall provide necessary platform construction and follow-up operation and maintenance services to carry the business cooperation.

(d) Provide the necessary information in time for Tencent Cloud's business and marketing activities, such as qualifications, various certificates, etc.

(e) Do not spread proprietary intellectual property rights to third parties in business activities.

Agreement revision and termination:

(a) If there are any matters not covered in this agreement, they shall be supplemented or modified after discussion by both parties.

(b) The termination, cancellation, and early termination of this agreement require written confirmation by both parties.

REASONS FOR ENTERING INTO THE COOPERATION AGREEMENT

The Company will use Tencent Cloud's advantages in technological innovation and industrial ecological resources of artificial intelligence, big data, cloud computing, internet of things, blockchain, and the internet of agriculture to accelerate the modernization of agricultural and rural areas and health bases business through digital transformation. The two parties agreed to establish a close cooperative partnership and reached the cooperation agreement.

The Directors are of the view that the entering into of the Cooperation Agreement is in the ordinary and usual course of business of the Company and considers that the terms of the Cooperation Agreement are fair and reasonable and in the interests of the Company and the 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 Cooperation Agreement.

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

Hong Kong, 30 July 2021

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.