

6 December 2019

**High Concentration of Shareholding
in
Central Holding Group Co. Ltd. (Stock Code: 01735)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Central Holding Group Co. Ltd. (“the Company”) in the hands of a limited number of shareholders as at 18 November 2019.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 18 November 2019, a group of 19 shareholders held an aggregate of 51,296,000 Shares, representing 19.43% of the issued Shares. Such shareholding, together with an aggregate of 198,000,000 Shares (representing 75.00% of the issued Shares) held by the controlling shareholder of the Company, represented 94.43% of the issued Shares as at 18 November 2019. Therefore, only 14,704,000 Shares (representing 5.57% of the issued Shares) were held by other shareholders.

As at 18 November 2019, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Central Culture Resource Group Limited (Note 1)	198,000,000	75.00
A group of 19 shareholders	51,296,000	19.43
Other shareholders	14,704,000	5.57
Total	264,000,000	100.00

Note 1: Central Culture Resource Group Limited is wholly owned by Mr. Yu Zhuyun, an executive director and chairman of the Company.

The Shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited by way of public offer and placing of a total of 66,000,000 Shares (representing 25% of the issued Shares) at HK\$1.50 per Share on 29 March 2018.

On 16 August 2019, the Company announced that Central Culture Resource Group Limited acquired 198,000,000 Shares (representing 75% of the issued Shares) from the Company's

previous controlling shareholder, Profound Contractors Limited, at HK\$2.1212 per Share, triggering an unconditional mandatory cash offer at HK\$2.1213 per Share, with represented a discount of 47.6% to the pre-announcement closing price of HK\$4.05 on 8 August 2019. Subsequently during the two trading days on 19 August 2019 and 20 August 2019, the closing price of the Shares increased by a total of 48.1% to closed at HK\$6.00, with an average daily turnover of 1,153,250 Shares.

The share price then fell gradually to close at HK\$4.66 on 4 October 2019, while the average daily turnover also decreased to 158,797 Shares. After market close on 4 October 2019, the Company announced the close of the unconditional mandatory cash offer and no valid acceptances in respect of the offer Shares were received by the offeror. As a result, 66,000,000 Shares or 25.00% of issued Shares were held by the public.

Since then, the price of the Shares increased again and closed at HK\$8.80 on 4 December 2019, up 88.8% from the closing price of HK\$4.66 on 4 October 2019 and 117.3% from the closing price of HK\$4.05 on 8 August 2019.

Since 4 October 2019, the Company had made, inter alia, the following announcements:

- On 25 October 2019, the Company issued a profit warning, expecting to record a loss for the six months ended 30 September 2019 comparing with a net profit recorded for the corresponding period in 2018.
- On 31 October 2019, the Company announced a discloseable transaction in relation to the acquisition of state-owned land use rights in PRC at a consideration of RMB18,210,000 (equivalent to approximately HK\$20,225,483).
- On 29 November 2019, the Company announced the interim results for the six months ended 30 September 2019, reporting a loss attributable to owners of the Company of HK\$7,344,000, as compared to a profit attributable to owners of the Company of HK\$4,273,000 recorded for the same period in 2018.

As at 5 December 2019, the price of the Shares closed at HK\$8.88 which was 119.3% higher than the closing price of HK\$4.05 on 8 August 2019.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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