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CENTRAL NEW ENERGY HOLDING GROUP LIMITED

中環新能源控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1735)

PROPOSED SHARE SUBDIVISION

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The Board proposes to subdivide each existing issued and unissued Share of HK\$0.0025 each into four (4) Subdivided Shares of HK\$0.000625 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$50,000,000 divided into 80,000,000,000 Subdivided Shares, of which 4,224,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Share Subdivision will become effective on the second Business Day immediately following the date on which the conditions set out in the section headed “Conditions of the Share Subdivision” of this announcement are fulfilled. The Subdivided Shares will rank *pari passu* with each other in all respects with, and shall have the same rights and privileges attaching thereto as, the Shares in issue prior to the Share Subdivision, and the relevant rights of the Shareholders will not be affected by the Share Subdivision.

Board lot size

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in board lot size of 1,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged with 1,000 Subdivided Shares for each board lot.

It is expected that no odd lot of shares of the Company other than those that already exist will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchases of odd lots in connection with the Share Subdivision will be made.

Listing of and dealings in the Subdivided Shares

An application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subdivided Shares in issue and to be issued. All necessary arrangements will be made for the Subdivided Shares to be admitted into CCASS.

GENERAL

The EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the Share Subdivision and the matters contemplated thereunder. No Shareholder is required to abstain from voting at the EGM. A circular containing, among other things, (i) further details of the Share Subdivision; (ii) the trading arrangements in respect of the Subdivided Shares; and (iii) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 30 November 2023.

PROPOSED SHARE SUBDIVISION

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 20,000,000,000 Shares of HK\$0.0025 each, of which 1,056,000,000 Shares have been issued and are fully paid or credited as fully paid. The Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.0025 each into four (4) Subdivided Shares of HK\$0.000625 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$50,000,000 divided into 80,000,000,000 Subdivided Shares, of which 4,224,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Share Subdivision will become effective on the second Business Day immediately following the date on which the conditions set out in the section headed “Conditions of the Share Subdivision” below are fulfilled. The Subdivided Shares will rank *pari passu* with each other in all respects with, and shall have the same rights and privileges attaching thereto as, the Shares in issue prior to the Share Subdivision, and the relevant rights of the Shareholders will not be affected by the Share Subdivision.

Conditions of the Share Subdivision

The Share Subdivision is conditional on:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares; and
- (c) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Subdivision.

Board lot size

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in board lot size of 1,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged with 1,000 Subdivided Shares for each board lot.

It is expected that no odd lot of shares of the Company other than those that already exist will be created as a result of the Share Subdivision, no odd lot arrangement to match the sales and purchases of odd lots in connection with the Share Subdivision will be made.

Listing of and dealings in the Subdivided Shares

An application will be made by the Company to the Stock Exchange for granting the listing of, and permission to deal in, the Subdivided Shares in issue and to be issued. All necessary arrangements will be made for the Subdivided Shares to be admitted into CCASS.

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures.

None of the securities of the Company is listed or dealt in, or on which listing or permission to deal is being or is proposed to be sought from, any other stock exchanges other than the Stock Exchange, and no such listing and/or permission to deal in the Subdivided Shares to be in issue is being or is proposed to be sought from any other stock exchanges other than the Stock Exchange.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Despatch of circular regarding, among other things,
the Share Subdivision together with
the notice of the EGM and form of proxy Thursday, 30 November 2023

Latest time for lodging transfer of Shares in order to
qualify for attendance and voting at the EGM 4:30 p.m. on
Thursday, 14 December 2023

Closure of register of members for the entitlement to
attend and vote at the EGM Friday, 15 December 2023 to
Wednesday, 20 December 2023
(both days inclusive)

Latest time for lodging proxy forms for the EGM
(not less than 48 hours before the EGM) 10:30 a.m. on
Monday, 18 December 2023

Record date for attendance and voting at the EGM Wednesday, 20 December 2023

Date and time of the EGM 10:30 a.m. on
Wednesday, 20 December 2023

Publication of the poll results of the EGM Wednesday, 20 December 2023

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above:

Effective date of the Share Subdivision Friday, 22 December 2023

Free exchange of Existing Share Certificates for
New Share Certificates for
the Subdivided Shares commences 9:00 a.m. on
Friday, 22 December 2023

Dealings in the Subdivided Shares commence 9:00 a.m. on
Friday, 22 December 2023

Original counter for trading in existing Shares
in board lots of 1,000 Shares
(in the form of Existing Share Certificates)
temporarily closes 9:00 a.m. on
Friday, 22 December 2023

Temporary counter for trading in Subdivided Shares
in board lots of 4,000 Subdivided Shares
(in the form of Existing Share Certificates) opens 9:00 a.m. on
Friday, 22 December 2023

Original counter for trading in Subdivided Shares
in board lots of 1,000 Subdivided Shares
(in the form of New Share Certificates) reopens 9:00 a.m. on
Wednesday, 10 January 2024

Parallel trading in Subdivided Shares
(in the form of Existing Share Certificates and
New Share Certificates) commences..... 9:00 a.m. on
Wednesday, 10 January 2024

Temporary counter for trading in Subdivided Shares
in board lots of 4,000 Subdivided Shares
(in the form of Existing Share Certificates) closes 4:10 p.m. on
Tuesday, 30 January 2024

Parallel trading in Subdivided Shares
(in the form of Existing Share Certificates and
New Share Certificates) ends 4:10 p.m. on
Tuesday, 30 January 2024

Last day for free exchange of Existing Share Certificates
for New Share Certificates for the Subdivided Shares..... 4:30 p.m. on
Thursday, 1 February 2024

Notes:

- 1 All times and dates refer to Hong Kong local times and dates.
- 2 Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.centralenergy.cn as and when appropriate and in accordance with the Listing Rules.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision becoming effective, Shareholders may submit their Existing Share Certificate(s) to the branch share registrar and transfer office of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, in exchange for New Share Certificate(s) free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Friday, 22 December 2023 to Thursday, 1 February 2024 (both dates inclusive). It is expected that New Share Certificate(s) will be available for collection within 10 Business Days after the submission of the Existing Share Certificate(s) to Boardroom Share Registrars (HK) Limited for exchange.

From Friday, 2 February 2024 onwards, exchange of Existing Share Certificate(s) for New Share Certificate(s) can only be made at a cost of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates involved is higher.

Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Tuesday, 30 January 2024 and thereafter will not be accepted for delivery, trading and settlement purposes. However, all Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for four (4) Subdivided Shares. New Share Certificates will be issued in light purple colour in order to distinguish them from the Existing Share Certificates which are in light yellow colour.

REASONS FOR THE SHARE SUBDIVISION

The proposed Share Subdivision will decrease the nominal value and trading price of each Share and increase the total number of Shares in issue. The Board is of the view that the Share Subdivision will lower the investment barrier and improve the liquidity in the trading of shares of the Company and broaden the shareholder base of the Company by appealing to more investors. As a result, the Share Subdivision is expected to result in downward adjustment to the trading price of each Share and the market value per board lot of Shares. Based on the closing price of HK\$16.16 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value per board lot of 1,000 Shares is HK\$16,160. The estimated market value per board lot of 1,000 Subdivided Shares will theoretically be reduced to HK\$4,040 immediately upon the Share Subdivision becoming effective. Given the prevailing market conditions, a more liquid market will provide more flexibility for investors to trade in the shares of the Company, which will in turn facilitate the Company's growth and development in the future. As at the date of this announcement, the Company has no concrete plan nor any agreement, arrangement, understanding or negotiation (concluded or otherwise) for any fund raising activities, or any intention to carry out other corporate action or arrangement, including share consolidation, share subdivision and capital reduction, which may have an effect of undermining or negating the intended purpose and effect of the Share Subdivision in the next 12 months.

Other than the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate shareholding, rights and interests of the Shareholders. Accordingly, the Directors consider that the Share Subdivision will not have any adverse effect on the financial position of the Company.

In view of the above, the Board considers that the implementation of the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

GENERAL

The EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the Share Subdivision and the matters contemplated thereunder. As, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Share Subdivision, no Shareholder is required to abstain from voting at the EGM to approve the Share Subdivision and the matters contemplated thereunder.

A circular containing, among other things, (i) further details of the Share Subdivision; (ii) the trading arrangements in respect of the Subdivided Shares; and (iii) the notice convening the EGM, is expected be despatched to the Shareholders on or before 30 November 2023.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“Company”	Central New Energy Holding Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1735)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Share Subdivision and the matters contemplated thereunder
“Existing Share Certificate(s)”	existing form of certificate(s) of the Share(s)
“General Rules of CCASS”	the General Rules of CCASS as from time to time in force, and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	form of certificate(s) of the Subdivided Share(s)
“Share(s)”	existing ordinary share(s) of HK\$0.0025 each in the share capital of the Company prior to the Share Subdivision becoming effective
“Share Subdivision”	the proposed share subdivision of every existing Share (both issued and unissued) of par value of HK\$0.0025 each into four (4) Subdivided Shares of par value of HK\$0.000625 each as referred to in the section headed “PROPOSED SHARE SUBDIVISION” of this announcement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.000625 each in the share capital of the Company immediately after the Share Subdivision becoming effective
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Central New Energy Holding Group Limited
Yu Zhuyun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 6 November 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.