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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ENTERING INTO OF AN INVESTMENT COOPERATION AGREEMENT

This announcement is made by Central New Energy Holding Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 10 January 2024 (after trading hours), (i) Huainan High-Tech Investment Holding Group Co., Ltd.* (淮南市高新投資控股集團有限公司) (“**Huainan High-Tech**”), (ii) Huainan Economic Development Holding (Group) Co., Ltd* (淮南經發控股(集團)有限公司) (“**Huainan Economic**”), (iii) Central (Anhui) Green Energy Development Construction Company Limited* (中環(安徽)綠電開發建設有限公司) (“**Central Green Energy**”), an indirect wholly-owned subsidiary of the Company and (iv) Central DigiTech (Jiang Su) Intelligent Technology Inc.* (中環數科(江蘇)智能科技有限公司) (“**Central DigiTech**”), an indirect wholly-owned subsidiary of the Company entered into an investment cooperation agreement (the “**Agreement**”), pursuant to which the parties to the Agreement plan to jointly develop a zero-carbon park in Huainan Hi-Tech Industrial Development Zone.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

- Date : 10 January 2024
- Parties : (i) Huainan High-Tech;
(ii) Huainan Economic;
(iii) Central Green Energy; and
(iv) Central DigiTech.

Scope of cooperation : The total amount of investment for the construction project (“**Construction Project**”) is expected to be RMB1,000,000,000, which will be implemented in the incremental electricity distribution network core area within the Huainan Hi-Tech Industrial Development Zone. The construction is tentatively to be carried out in 2 phases. Phase 1 would include, among others, photovoltaic rooftops construction, grid connection planning, new 6Mw/12Mwh energy storage construction, new integrated energy station construction providing compressed air and processed chilled water, new charging stations/posts construction, new digital platform construction for virtual power stations and “Green Zero-Carbon (Huainan) Capability Construction Base” establishment providing zero-carbon complementary corporate services. Whereas phase 2 would include, among others, 100–150Mwp centralised photovoltaic power construction, 100Mw/200Mwh centralised energy storage construction, new integrated energy station construction providing compressed air and processed chilled water, new electric vehicle power exchange stations and charging posts construction, together with new ancillary facilities such as installing transformers and other planned ongoing photovoltaic rooftops construction within the area.

Phase 1 of the Construction Project is scheduled to commence on 16 February 2024 and come into operation by 30 August 2024, whereas phase 2 is scheduled to commence construction by 30 October 2024 and come into operation by 30 June 2025, which is, in any event, subject to the actual construction commencement date.

It is expected that as soon as the Construction Project has come into operation, the needs of industrial users in Huainan City for new energy (such as photovoltaic energy) and comprehensive energy (such as compressed air and process chilled water) will be met.

Mode of cooperation : Huainan High-Tech, Huainan Economic and Central Green Energy will form a project company (the “**Project Company**”) within 30 days from the date of signing the Agreement for investment in the Construction Project. The registered capital of the Project Company is tentatively RMB400,000,000 (subject to the business registration record). The Project Company will be held as to 5%, 30% and 65% by Huainan High-Tech, Huainan Economic and Central Green Energy, respectively, and the shareholders will make their capital contribution in cash in proportion to their respective shareholding. The board of directors will be established in accordance with the Company Laws of the People’s Republic of China (the “**PRC**”) with the legal representative to be appointed by Central Green Energy, and the members of the board of directors to be appointed by Huainan High-Tech, Huainan Economic and Central Green Energy in the ratio of 1:2:4. The above matters are in any event subject to the definitive agreement(s) to be entered into by the parties separately.

Huainan High-Tech, Huainan Economic and Central DigiTech will form an operation company (the “**Operation Company**”) within 30 days from the date of signing the Agreement. The registered capital of the Operation Company is tentatively RMB10,000,000 (subject to the business registration record). The Operation Company will be held as to 5%, 30% and 65% by Huainan High-Tech, Huainan Economic and Central DigiTech, respectively, and the shareholders will make their capital contribution in cash in proportion to their respective shareholding. The board of directors will be established in accordance with the Company Laws of the PRC with the legal representative to be appointed by Central DigiTech, and the members of the board of directors to be appointed by Huainan High-Tech, Huainan Economic and Central DigiTech in the ratio of 1:2:4. The above matters are in any event subject to the definitive agreement(s) to be entered into by the parties separately.

The Construction Project will meet the requirements of relevant laws and regulations, and will adopt the engineering, procurement and construction (“EPC”) mode for construction and operation through public tender and take overall responsibility for the integrated EPC of the Construction Project in accordance with the contractual terms, to ensure complete cohesion between project design and operation income and to procure efficient implementation of the preliminary strategy, planning, design, planning application and construction application, in order to greatly improve the efficiency of the project, and achieve social benefits and sustainable operating returns.

The Project Company will entrust the operation and management of the zero-carbon park to the Operation Company through an entrustment agreement, and the Operation Company will be responsible for the profits and losses. The definitive agreement will be executed separately by the Project Company and the Operation Company after their establishment.

Rights and obligations of Huainan High-Tech : Huainan High-Tech will be responsible for, among others, coordinating with the relevant government authorities for approval, supervision and inspection of the overall planning and project construction of the Project Company in accordance with the regulations; coordinating the assignment or leasing of land required for the zero-carbon application scenarios and the scope of investment of the Project Company; and assisting in the procedures for establishment and registration of the Project Company and the Operation Company.

Rights and obligations of Huainan Economic : Huainan Economic will be responsible for, among others, undertaking that its related company, Huainan Guoheng Park Power Sales Company Limited* (淮南市國恒園區售電有限公司) will have the priority, under “Notice of Anhui Province Development and Reform Commission on Matters Relating to the New Energy On-grid Electricity Pricing Policy for 2021” (《安徽省發展改革委關於2021年新能源上網電價政策有關事項的通知》), to acquire upon the same terms and conditions zero-carbon related green energy services provided by the Project Company and the Operation Company within the Huainan Hi-Tech Industrial Development Zone, including but not limited to photovoltaic power generation, grid connection and settlement services.

Rights and obligations of Central Green Energy and Central DigiTech : The Group will be responsible for, among others, operating and managing the zero-carbon industrial park and ensuring the preservation and appreciation of state-owned assets.

Miscellaneous : The parties to the Agreement will assist the Project Company in obtaining funds of not less than RMB600,000,000 to finance the zero-carbon park construction.

None of the parties will be, during the term of the Agreement, engaged in any cooperation whatsoever, in competition or conflict with the matters contemplated under the Agreement, with any other third party.

Any party which intends to terminate the Agreement will be required to give 30-day prior written notice to others. If any party fails to satisfy the payment obligation under the Agreement for more than 60 days, the non-breaching parties are entitled to unilaterally terminate the Agreement and their respective investment obligation under the Agreement, and hold that party liable for such breach. In addition, any breaching party will be responsible for the actual loss sustained by those non-breaching parties in case of any contravention or breach of any provision of the Agreement.

INFORMATION ABOUT HUAINAN HIGH-TECH AND HUAINAN ECONOMIC

Huainan High-Tech

Huainan High-Tech is a company established in the PRC with limited liability. It is principally engaged in, among others, asset management with self-owned funds, investment activities with self-owned funds, park management services, land improvement services, land-use-right leasing, non-residential real estate leasing, residential leasing and municipal facilities management.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Huainan High-Tech 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**")).

Huainan Economic

Huainan Economic is a company established in the PRC with limited liability. It is principally engaged in, among others, corporate headquarters management, corporate management consulting, investment activities with self-owned funds, asset management with self-owned funds, land-use-right leasing and land improvement services.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Huainan Economic and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is currently having five main business segments, namely, (i) building works and construction related business; (ii) food and beverage supply chain; (iii) health and wellness; (iv) smart logistic and information system; and (v) new energy and EPC. The Board believes that the investment cooperation as contemplated and outlined in the Agreement will allow the Group to leverage its experience and capabilities in the low carbon smart factory/park market. The Board also believes that the investment cooperation may expand the Group's business opportunities, broaden its income sources and enhance its financial performance. Thus, the Board considers that the investment cooperation with Huainan High-Tech and Huainan Economic will be beneficial to the future growth of the Group and will be in the interests of the Company and its shareholders (the "**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 an investment cooperation framework among the Group, Huainan High-Tech and Huainan Economic. The detailed terms of the investment cooperation contemplated under the Agreement are subject to the terms of any definitive agreement(s) which Huainan High-Tech, Huainan Economic and the Group (or their respective designated parties) may subsequently enter into from time to time. 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 New Energy Holding Group Limited
Yu Zhuyun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 10 January 2024

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*