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Chinese Energy Holdings Limited
華夏能源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 8009)

SUPPLEMENTAL ANNOUNCEMENT RELATING TO THE
(I) DECISION OF THE GEM LISTING COMMITTEE ON
CANCELLATION OF LISTING
AND
(II) REQUEST TO THE GEM LISTING REVIEW COMMITTEE
TO REVIEW DECISION ON CANCELLATION OF LISTING

Financial adviser to the Company



This announcement is made by Chinese Energy Holdings Limited (the “**Company**”) pursuant to Rules 17.10(2)(a) and 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated (i) 29 August 2023 in relation to the decision of the GEM Listing Committee on cancellation of listing (the “**18 August Decision**”) and the Company’s request to the GEM Listing Review Committee (the “**GEM Listing Review Committee**”) to review 18 August Decision; (ii) 22 July 2022 in relation to the resumption guidance (the “**Resumption Guidance**”) for the Company as set out in a letter from the Stock Exchange; (iii) 15 July 2022 in relation to the decision of the GEM Listing Review Committee of the Stock Exchange and suspension of trading in the Shares; (iv) 12 April 2022 in relation to decision letter of the GEM Listing Committee dated 11 April 2022; (v) 15 July 2022 in relation to decision letter of the GEM Listing Review Committee dated 14 July 2022 (the “**14 July 2022 Decision**”) and suspension of trading; as well as (vi) 14 October 2022, 13 January 2023, 14 April 2023 and 14 July 2023 in relation to the first, second, third and fourth quarterly updates on the status of resumption in trading in the Shares. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

DECISION OF THE GEM LISTING COMMITTEE

Reasons for the 18 August Decision

Pursuant to and as extracted from the letter of 18 August Decision (the “**Decision Letter**”), the GEM Listing Committee arrived at its decision for the reasons, including but not limited to, as follows:

Business model and business operations

Before trading suspension of the Company, the LNG supply chain management business of the Group was the major revenue source of the Group.

The GEM Listing Committee was of the view that the Company’s competitive advantage in providing customers with access to upstream suppliers and credit support was not convincing as the Group’s customers were themselves bulk LNG and NG (together, “**Natural Gas**”) merchants and power plants which generally were not expected to encounter difficulty in accessing upstream suppliers and obtaining credit support.

The GEM Listing Committee was of the view that the Company continued to provide limited value-added services and earn a thin profit margin.

However, the GEM Listing Committee was of the view that the Company failed to explain the reasons for the increase in the gross profit margin or otherwise demonstrate the sustainability of the increase. Nor was the business demonstrated to be operated with a model or competitive advantage that supported its sustainability and profitability. In particular,

- (a) The GEM Listing Committee was of the view that the Company’s customer base remained small and highly concentrated. For FY2023, it had 5 customers and the top 3 customers contributed to over 90% of the Group’s total revenue. The Company did not appear to have a concrete plan to expand its customer base; and
- (b) The GEM Listing Committee was of the view that with the continuous decline in the Group’s revenue level and small number of customers, it was also unclear how the Group had been and continued to be able to bargain more favourable terms with the suppliers with bulk purchases; and

- (c) The GEM Listing Committee noted that Ningbo Luyuan Natural Gas & Power Company Limited (“**Ningbo Luyuan Power**”) was the holding company of the vendor who sold the target company operating the LNG Trading Business to the Group in 2016; and
- (d) The GEM Listing Committee was of the view that the Natural Gas Trading Business which recently commenced in FY2023 had a short track record and relied on limited customers; and
- (e) The GEM Listing Committee was of the view that the business plan with the leasing of the storage tank facility in June 2023 was preliminary and vague.

Profit forecast

The Company had prepared a profit forecast and included in the Resumption Proposal as submitted on 14 July 2023. Based on the profit forecast, the Natural Gas businesses were forecasted to generate revenue of HK\$248 million for the year ending 31 March 2024.

The GEM Listing Committee was of the view that the profit forecast for FY2024 and FY2025 was not credible, not supported by a concrete and credible business plan, with projections based on legally binding contracts and supportable customer demands.

Level of assets

The GEM Listing Committee was of the view that based on the 2023 annual report of the Company, as at 31 March 2023, the Company had total assets of HK\$399.7 million and net assets of HK\$391.1 million. The total assets of HK\$399.7 million included trade receivables from contracts with customers of HK\$111.2 million and cash and cash equivalent of HK\$177.8 million. The GEM Listing Committee did not consider that the Company had sufficient asset to enable the Company to operate a business which is of substance, viable and sustainable.

In light of the above, the GEM Listing Committee was of the view that Company has not demonstrated compliance with GEM Listing Rule 17.26.

OPINIONS OF THE BOARD TOWARDS THE 18 AUGUST DECISION

The Board regrets the 18 August Decision and considers that there were incorrect information as stated in the listing division report dated 14 August 2023 (the “**Listing Division Report**”) and the GEM Listing Committee has not thoroughly taken into account of the evidence submitted by the Company for the purpose of Resumption Proposal on 14 July 2023 and 7 August 2023 and submissions for the purpose of review hearings on 30 March 2022 and 28 June 2022 (collectively, the “**Company Submissions**”), in particular:

The intention of the Group to develop Natural Gas business

The Group’s business evolved according to the changing environment. Back in 2016, besides the Natural Gas business, the Group mainly had revenue from general trading business and minimum revenue contributed by money lending, provision of factoring services and management services.

The directors (“**Directors**”) of the Company noted that the People’s Republic of China (“**PRC**”) industrial fuel energy consumption is dominated by coal, accounting for more than 70% in 2015, and natural gas accounted for approximately 10% of industrial fuel energy consumption, which was far lower than the corresponding rate of Europe, the United States and Japan (from approximately 40% to approximately 50%).

On 22 September 2020, the PRC’s carbon neutral goal was announced in the 75th session of the United Nations General Assembly. President Xi Jinping presented at the meeting that “PRC will scale up its intended nationally determined contributions by adopting more vigorous policies and measures. We aim to have CO₂ emissions peak before 2030 and achieve carbon neutrality before 2060.” “Carbon peak + carbon neutrality” has become a national strategy. According to data from the National Bureau of Statistics, PRC’s cumulative natural gas production in 2022 reached 217.8 billion cubic meters.

The Directors are of the view that the structural transition from coal to a cleaner energy source natural gas is a long-term irreversible trend. It was for the benefit of the Company and its shareholders as a whole to grasp the opportunity for the structural transition of energy source to clean energy.

No change in principal business with sufficient operating history

As stated in the Company Submissions, the Company has commenced its operation of LNG business since 2016 and since December 2022, the Company is providing NG to its customers which is an extension of LNG.

The Directors are of the view that the provision of NG and/or LNG are within the same natural gas business segment and shall share the same business track record of the Group because of the followings:

- i. The chemical composition of NG and LNG are the same, they are predominantly methane, CH₄; and
- ii. LNG has been transformed and cooled down from NG (transformed from gas form to liquid form) for ease and safety of non-pressurized storage or transport. It takes up about 1/600th the volume of NG in the gaseous state; and
- iii. Since the chemical composition of NG and LNG are the same, they have the same usage and therefore share a certain group of customers; and
- iv. The NG and/or LNG share the same set of expertise in oil and gas industry to operate and handle the safety, logistics and quality control of the energy source.

Therefore, the Directors are of the view that the NG business shall be in the same business segment of LNG. NG business shall not have a separate track record as mentioned in the Decision Letter. There is no change in principal business of the Group and the Group's business is with sufficient operating history.

Industry overview and position of the Group's business

As stated in the Company Submissions, the service of the Company is not merely trading in nature, rather the Company is providing supply chain management services, including the arrangement of logistics service, planning the demands and supplies quantities and ensuring the delivery timing, quality and safety of these flammable natural gases to meet the needs of customers during the logistics and transportation process.

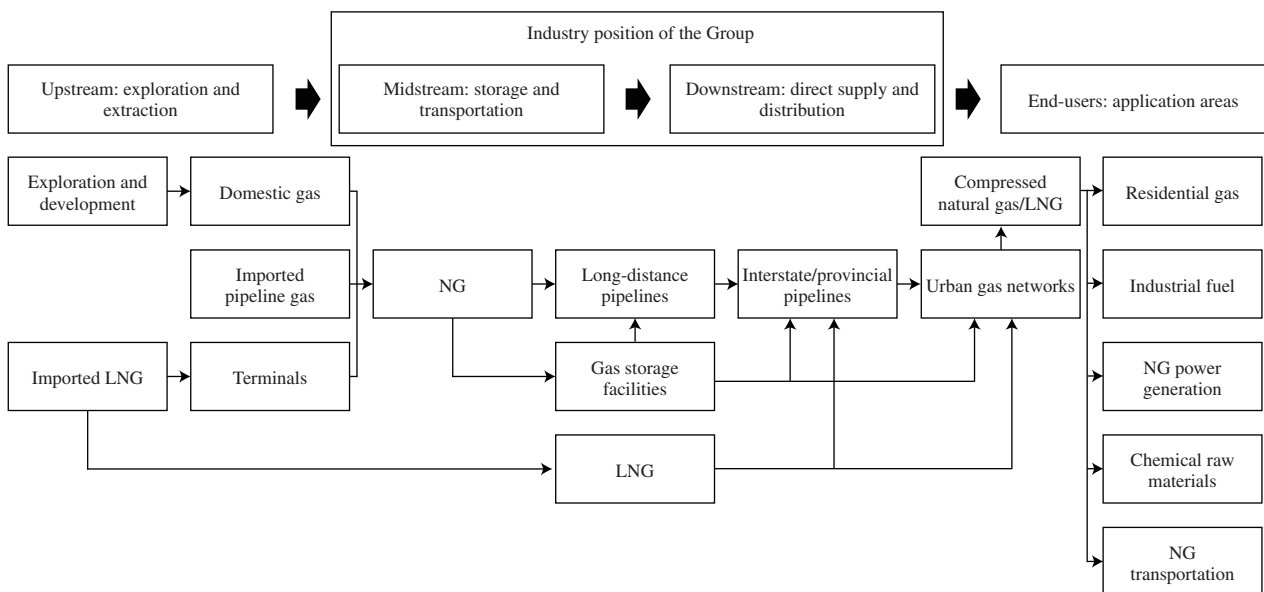
To fulfill the relevant regulatory requirements of the Group's operation as mentioned above, the Group also holds hazardous chemicals business license* 危險化學品經營許可證 issued by the PRC government authority.

The natural gas industry chain is divided into three parts:

- i. Upstream sourcing, exploration and production, the related resource is mainly held by state-owned enterprises; and
- ii. Midstream transportation, including the use of long-distance pipeline network, trucks and gas storage facilities; and
- iii. Downstream distribution which is mainly engaged in by national city gas companies and local city gas companies and distributors.

The entire industry chain is complete and involves numerous parties, including, but not limited to exploration companies, manufacturers, whole-sellers, distributors, logistics and storage providers, local gas companies and end-users.

Natural gas industry chain



It is the inherent structure of the natural gas industry chain in the PRC that the upstream suppliers are focusing on sourcing, exploration and production of the natural gas, while the downstream distributors are focusing on the customer end infrastructure and customer service.

It is inherent that the downstream gas companies and end-customers usually have a variety of selection of middle stream service providers to ensure stable supply of natural gas with reasonable price. Once the main suppliers have difficulty meeting their demands and have a large price fluctuation, the downstream gas companies and end-customers will shift to alternative middle stream service providers for supply of natural gas.

The Group is mainly engaged in the midstream and downstream of the natural gas industry chain, responsible for matching the demands and supplies of the upstream suppliers and downstream customers and arranging the related transportation, storage and ensuring the quality and safety in the delivery process.

As stated in the Company Submissions, the business process of the Group is as follows:

- i. The procurement and sales team of the Group obtain the latest domestic natural gas market demands through research and study of the domestic Natural Gas market in the PRC.
- ii. After obtaining relevant market information, the Company decided to procure Natural Gas from suitable suppliers. The operation team will carry out comprehensive assessment of their qualifications, regulatory compliance with safety measures and operating conditions, capital and operational strength.
- iii. The Company will enter into procurement agreements with the relevant suppliers through arm's length negotiation. In the relevant procurement agreements, the Company will set an initial annual quantity of Natural Gas that the Company expects to procure and reserve.
- iv. After entering into the procurement agreements between the parties, the relevant suppliers will give the Company preliminary quotations for the Natural Gas whenever there are changes in price.
- v. The Group's procurement and sales team will then select the appropriate quantities of Natural Gas from the said quotations. The final price will be determined by the Company and suppliers accordingly.
- vi. The Company will then place the formal procurement orders with the relevant suppliers after satisfaction of the comprehensive assessment as mentioned above. Upon receipt of the formal procurement orders from the Company, the suppliers and/or the Company will arrange to supply the respective Natural Gas to the designated storage facilities and/or through pipeline delivery.

- vii. The Company approaches potential bulk Natural Gas merchants in the PRC. The operation team conducts comprehensive assessment of their qualifications, regulatory compliance with safety measures and operating conditions, capital and operational strength.
- viii. The Company will enter into sales agreements with the relevant merchants through arm's length negotiation. In the relevant sales agreements, the merchants will set an initial annual quantity of Natural Gas that they expect to procure.
- ix. The Company will inform any change on quotations for the Natural Gas to those merchants timely and the merchants will place their orders to the Company, including quantities of the Natural Gas and delivery location. The final price and location of delivery will be agreed by the Company and merchants accordingly.
- x. During the transportation and storage process, the operation team continuous keep track on the progress and react immediately when there are queries from either the customers or suppliers. When there is involvement of the Company's storage tank facility per description below, the operation team and administration team will maintain the usage record and monitor the use of logistics and storage facilities and the relevant safety measures on a timely basis.
- xi. After the Natural Gas is delivered to the designated locations, the aggregate quantities and quality of the Natural Gas will be final-checked. The operation staff of the Group's procurement and sales team shall participate in the entire aforementioned procedures and shall be responsible for monitoring smoothness of the whole process and ensuring that the Natural Gas is delivered to the Group's customers securely and expeditiously.
- xii. The sales team will gather any after sales feedback and hold regular meetings to improve the operation flow. Request of ancillary service by customers (e.g. arrangement for repairment and transaction service of customers' gas storage and transportation facilities) will also be considered in the meetings.

The Directors are of the view that the inherent upstream, midstream and downstream structure of the PRC natural gas industry as mentioned above have clearly explained the reason that the downstream merchants need to rely on midstream service providers to access upstream suppliers, and the industry structure above can be referenced to industry reports and research reports issued by industry experts and financial institutes.

The Directors are of the view that the Group has proper license with concrete operations and provides value adding services of midstream and downstream Natural Gas business as mentioned above in this inherent industry structure.

Gross profit margin

The gross profit margin of the industry is affected by a number of factors, including but not limited to:

- i. The number of similar service providers and competitors in the market;
- ii. The economic environment affecting the demands of energy;
- iii. The importing cost, including transportation, of Natural Gas, which is in turn affected by the global and national quantities of production (supply) during a specific period of time;
- iv. Direct labor and other overhead operation costs, which is affected by inflation; and
- v. PRC government imposes price control on Natural Gas as they are basic energy sources. Recently, as reported by the government media, it is the direction of the PRC government on adjusting the floating ranges of the benchmark price of Natural Gas.

The Group has been selective on customers by giving up businesses with lower profit margin and retaining customers with higher profit margin. Further, it is the short-term strategy of the Group to keep competitive pricing in the market and to attract quality customers with a view to gradually increase the Group's market share in the long-run and grasp the long-term development trend of natural gas industry as mentioned above.

Because of the above market factors and the PRC government continues to regulate the prices of Natural Gas, the Directors are of the view that the gross profit margin of the Group is not a key factor to determine the amount of value-added services provided by the Group, and that the Group's gross profit margin of approximately 5.4% for the year ended 31 March 2023 is not thin as compared to the market. As stated in the Company Submissions, among the eleven companies listed in Hong Kong operating in the same or similar natural gas industry, their gross profit margin ranges from approximately -7.6% to approximately 10.1%.

The Group's customer base

As stated in the Company Submissions, the Company has maintained long-term relationship with Natural Gas merchants, which are the Group's current and potential customers. There are sufficient demands for the Group's supply chain management service. However, due to the following factors about the short-term economy of the PRC, the Group has been cautious in choosing appropriate Natural Gas merchants/customers to cooperate with: (i) slowing gross domestic product ("GDP") growth of the PRC, (ii) sluggish foreign investment, (iii) weak exports and currency, and (iv) real estate sector crisis.

In particular, as part of the risk management measures, the Group considers the following factors while entering into business relationship with counterparties:

- i. Due diligence results of the counterparties' financial conditions;
- ii. Physical inspection of the counterparties' operations;
- iii. Reputation and track record of the counterparties in the industry; and
- iv. Reasonableness of contract terms, including the timing and amount of payments and receipts, pricing, logistics arrangements and safety measures.

The Directors are of the view that aggressive expansion of customer base at the current economic environment would increase the Group's operation risk.

However, the Company is operating at a profit for the first five months (from 1 April 2023 to 31 August 2023) of the financial year ending 31 March 2024. The largest, the second and third largest customers contribute to approximately 27.7%, approximately 25.2% and approximately 22.1% of the total revenue of the Group respectively during the period.

With sufficient demand of Natural Gas in PRC in the long-run, the Group maintains a list of at least 20 potential customers to pitch and select from. The number of customers of the Group has cautiously increased to five customers by the end of August 2023 from two customers as at 30 September 2022 and the number of customers is currently at an increasing trend. Our current customers are mainly local city gas companies and distributors, while the end usages of Natural Gas are diversified, including residential gas, industrial fuel, power generation, chemical raw materials, transportation etc., with thousands of end users.

The Directors are of the view that with the cautiously increasing number of customers, the Directors are confident that the Group will continue to be able to bargain more favourable terms with the suppliers with bulk purchases.

Ningbo Luyuan Power

As communicated at the review hearing of the GEM Review Listing Committee on 30 March 2022 (the "**30 March 2022 Hearing**"), our existing and new customers and their ultimate beneficial owners are independent third parties. In particular, as communicated at the 30 March 2022 Hearing:

- i. When the Company announced its intention to acquire the LNG business indirectly held by Ningbo Luyuan Power (one of the Group's customers, as mentioned in the Decision Letter) in January 2017, Mr. Chen Haining ("**Mr. Chen**"), the chairman and chief executive officer of the Company, indirectly held about 8.6% of the shares of Ningbo Luyuan Power, and Mr. Chen has ceased to hold any shares and position of Ningbo Luyuan Power or its associates since 22 January 2018;
- ii. To the best understanding of the Directors, there is no shareholding relationship between Ningbo Luyuan Power and Ningbo Luyuan Liquefied Natural Gas Development Co., Limited since 22 June 2018. The description in the Listing Division Report that Ningbo Luyuan Liquefied Natural Gas Development Co., Limited was a subsidiary of Ningbo Luyuan Power is not applicable; and
- iii. To the best understanding of the Directors, Ningbo Luyuan Power is currently an independent third party to the Group's suppliers and other customers.

The Directors are of the view that:

- i. For the statement as included in the Listing Division Report “Ningbo Luyuan Power’s subsidiary, Ningbo Luyuan Liquefied Natural Gas Development Co., Limited, was the Company’s largest customer...”, the description of the “parent company and subsidiary” relationship between Ningbo Luyuan Power and Ningbo Luyuan Liquefied Natural Gas Development Co., Limited was incorrect and doubtful;
- ii. The Company has communicated at 30 March 2022 Hearing about the correct relationship of the above;
- iii. The Group maintains a proper record of all counterparties in carrying out business and properly identifies all related parties and connected persons to ensure proper disclosures of transactions; and
- iv. The Group has properly carried out annual audits and obtained audit opinions with true and fair view by the auditor.

Natural Gas storage facility

As stated in the Company Submissions, the Group used to arrange the Natural Gas storage facilities for its customers and the Company negotiated the lease of facilities for LNG storage and the Company leased additional LNG storage tank facility with 900 cubic meters of volume for a period of three years from 20 June 2023. The usage of LNG storage facilities aims to help the Group to take advantage of price fluctuations in the market by:

i. Increasing the storage of LNG when the LNG prices are relatively low

In normal circumstances, the LNG keeps at the volume level enough to supply for around the forthcoming 5 days. For any expected upcoming increase in the short-term LNG price, the operation team will consider increasing the storage of LNG to fill up the capacity of storage tank facility, thus the overall cost of LNG could be lowered.

ii. Ensuring a reliable supply of LNG by allowing the Group to store enough LNG to meet the customers’ needs even during periods of high demands

Since the LNG keeps the volume level enough to supply for around the forthcoming 5 days, there will be buffer capacity to meet customers’ demands during short-term periods of high demands. (i.e., during winter time when there is demand of heat generation).

iii. Developing the market of small-medium size end-customers through supplying them with LNG from the additional LNG storage facilities

Through the storage facilities, the incoming delivery of LNG by large trucks can be shifted to outgoing smaller trucks for delivery to downstream customers and thus the Group could develop the market of small-medium size end-customers.

The Directors are of the view that the leasing of the storage tank facility in June 2023 is with a considerable business plan and concrete execution and is beneficial to the Group as a whole.

Level of assets

As stated in the Company Submissions, the assets level of the Group also demonstrates its compliance with GEM Listing Rule 17.26. As at 31 March 2023, the Group had net current assets and net assets of approximately HK\$340.3 million and approximately HK\$391.1 million, respectively including cash and cash equivalents of approximately HK\$177.8 million. The Company is operating in asset-light industry and providing supply chain management service.

The Directors would generally prefer leasing operating assets (e.g. storage tank facility) rather than owning operating assets because of the following considerations:

- ***Asset price is subject to fluctuation***

The price of self-owned operating assets will be affected by a number of factors, such as economic condition, its location, the surrounding areas and market demands. Hence, if the value of operating assets is lower than the acquisition cost due to the factors mentioned above, the financial position may be adversely affected.

- ***Capital expenditure for asset acquisition may affect steady cash flow profile of the Company***

Furthermore, owing to the capital expenditure incurred for the acquisition of operating assets, which is mainly a one-time significant cash payment, the Company may encounter difficulty in maintaining a steady cash flow profile and the Company may not have sufficient capital to fund other capital needs or to save capital for a better capital investment decision in the future.

Further, the Directors are of the view that “lease” model is preferable to “ownership” model under the present economic environment with (i) slowing GDP growth of the PRC, (ii) sluggish foreign investment, (iii) weak exports and currency, and (iv) real estate sector in crisis and therefore prefer to save capital for a better capital investment decision in the future.

The Directors consider that the Company had sufficient asset to enable the Company to operate a business which is of substance, viable and sustainable.

Profit forecast

The following documents were included in the Company Submissions:

- i. Comfort letters dated 31 January 2022 and 19 May 2022 issued by the Company's financial adviser in relation to the consolidated profit and cashflow forecast for the years ending 31 March 2024. The financial adviser is satisfied that the profit and cashflow forecast has been made with due care and consideration;
- ii. Comfort letters dated 31 January 2022 and 19 May 2022 issued by the Company's external auditor in relation to the profit and cashflow forecast for the years ending 31 March 2024. The external auditor found the profit and cashflow forecast arithmetical accurate and correct and was satisfied that the principal assumptions are made by the management of the Company after due and careful enquiry; and
- iii. Legally binding customer and supplier contracts in support of the forecasts and customer demands.

As mentioned in the Company Submissions, the continued outbreak of COVID-19 and the relevant anti-epidemic measures during the period from early 2020 to late 2022, including but not limited to the increased hygiene and sanitary inspections, are force majeure events that have led to halts of business activities.

In 2022, PRC's total natural gas consumption decrease due in part to epidemic prevention and control measures. There was a large fluctuation with the proportion of urban gas consumption by industrial sector, natural gas power generation and chemical industry and PRC's natural gas imports fell.

Further, the prolonged suspension of trading of the Shares on the Stock Exchange since year 2022 have created unnecessary doubts to the potential and existing customers about the Company's business conditions and impaired reputation of the Company.

The Directors are of the view that the above factors have led to lost opportunities of the Group to expand business and achieve the revenue forecasts as submitted for the hearings on 30 March 2022 and 28 June 2022.

Despite the force majeure events as mentioned, the Directors are of the view that the forecasts as included in the Company Submissions was credible, supported by a concrete and credible business plan, with projections based on legally binding contracts and supportable customers' demands.

Recent development

The Directors are of the view that the Company is recovering from the short-term turbulence as mentioned above and unlike fast moving consumer goods industry, the Company is operating in energy industry undergoing structural shifts to clean energy with long-term investment and operating cycle and it is normal that the development of the energy business would take time to become mature, the Directors anticipated that the Company's operations will subsequently improve as the epidemic subsides and the Company is on a return to business as usual.

The Group recorded a healthy level of revenue of approximately HK\$190.8 million for the year ended 31 March 2023 and there was increase in gross profit to approximately HK\$10.2 million and the gross profit margin of the Group increased to approximately 5.4% for the year ended 31 March 2023. The achievement of maintaining a healthy level of revenue under such challenging circumstances is due to the Group's continuous efforts to cultivate business relationships with business partners and potential customers in the PRC and exploring business opportunities.

Due to the fact that the Group has been selective on customers by giving up businesses with lower profit margin and retaining customers with higher profit margin and that the business environment is recovering from pandemic, the revenue of the first quarterly results for the period ended 30 June 2023 was approximately HK\$25.5 million, which is approximately 11.0% less than the same period of prior year, while the gross profit significantly increased by approximately 77.8% (increased from approximately HK\$0.9 million to approximately HK\$1.6 million) for the three months ended 30 June 2023, as compared to the same period of the prior year.

Moreover, for the first quarterly results for the period ended 30 June 2023, the profit margin of the Group has improved when the demand is returning to normal, which is in line with the improved business activities after the peak of pandemic, as compared to the same period of prior year.

For the first quarterly results for the period ended 30 June 2023, the Group recorded an unaudited consolidated profit attributable to owners of the Company of approximately HK\$5.6 million as compared with a loss of approximately HK\$4.2 million for the same period last year. Accordingly, the Company issued positive profit alert announcement on 23 August 2023.

While per the Group's latest unaudited financial figures, the revenue arising from Natural Gas business of the first two months of the second quarter (for the two months ended 31 August 2023) was approximately HK\$53.8 million, which is on an increasing trend as compared to the first quarterly results above, mainly attributable to the Company's increasing number of customers.

The Directors are of the view that the reasons above have explained the short-term fluctuation of gross profit margin. The long-term trend of the natural gas industry as mentioned above has demonstrated the sustainability of the business and that the inherent industry structure of natural gas industry has supported the sustainability and profitability of the business.

The Directors are of the view that short-term decreasing trend of revenue arising from NG business has eased and started to turnaround, the Directors are confident that the Group will continue to be able to bargain more favourable terms with the suppliers with bulk purchases.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares has been suspended with effect from 9:00 a.m. on 15 July 2022 and shall remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the GEM Listing Rules.

Shareholders and Potential Investors who have any queries about the implications of the dealing of the Shares are advised to obtain appropriate professional advice.

By order of the Board
Chinese Energy Holdings Limited
Mr. Chen Haining
Chairman and Chief Executive Officer

Hong Kong, 19 September 2023

As at the date hereof, the executive Directors are Mr. Chen Haining (Chairman and Chief Executive Officer of the Company) and Ms. Tong Jiangxia; and the independent non-executive Directors are Mr. Luk Chi Shing, Mr. Leung Fu Hang and Mr. Chen Liang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledges and beliefs, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven (7) days from the date of its posting and on the website of the Company at www.chinese-energy.com.