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If you have sold or transferred all your shares in **Central New Energy Holding Group Limited (formerly known as Central Holding Group Co. Ltd.)**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **CENTRAL NEW ENERGY HOLDING GROUP LIMITED**

**中環新能源控股集團有限公司**

*(Formerly known as 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)**

### **MAJOR TRANSACTION IN RELATION TO THE EQUIPMENT PURCHASE AGREEMENT AND THE PREVIOUS EQUIPMENT PURCHASE AGREEMENT**

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Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 11 of this circular.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approval regarding the transactions contemplated under the Equipment Purchase Agreement has been obtained from Central Culture, which is a Shareholder holding 722,594,580 Shares, representing approximately 68.43% of the entire issued share capital of the Company, as at the Latest Practicable Date. No general meeting will be convened to approve the transactions contemplated under the Equipment Purchase Agreement and this circular is despatched to the Shareholders for information only.

This circular is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chghk.com](http://www.chghk.com)).

25 August 2023

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Appendix I — Financial Information of the Group</b> .....	I-1
<b>Appendix II — General Information</b> .....	II-1

## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Announcement”	the announcement of the Company dated 22 May 2023 in relation to, among others, the entering into of the Equipment Purchase Agreement
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Central Culture”	Central Culture Resource Group Limited, a company incorporated in the BVI with limited liability, which is a controlling Shareholder of the Company, and is wholly owned by Mr. Yu Zhuyun, an executive Director and the chairman of the Board as well as the chief executive officer of the Company, as at the Latest Practicable Date
“Company”	Central New Energy Holding Group Limited 中環新能源控股集團有限公司 (formerly known as Central Holding Group Co. Ltd. 中環控股集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1735)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors(s) of the Company
“Equipment”	five fully automatic customised production lines for photovoltaic TOPCon battery, comprising TOPCon battery systems and related components
“Equipment Acceptance Certificate”	the equipment acceptance certificate to be signed by the Purchasers and the Vendor upon passing of the final acceptance test of the Equipment
“Equipment Purchase Agreement”	the equipment purchase agreement dated 22 May 2023 entered into between the Vendor (as vendor) and the Purchasers (as purchasers) in relation to the sale and purchase of the Equipment
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Latest Practicable Date”	18 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Equipment”	two fully automatic production lines for photovoltaic modules, comprising nine sets and 80 units of photovoltaic equipment and components, being the subject matter of the Previous Equipment Purchase Agreement
“Previous Equipment Purchase Agreement”	the equipment purchase agreement dated 21 September 2022 entered into between the Vendor (as vendor) and the Group (as purchaser) in relation to the sale and purchase of the Previous Equipment
“Previous Equipment Purchase Announcement”	the announcement of the Company dated 21 September 2022 in relation to the entering into of the Previous Equipment Purchase Agreement
“Previous Equipment Purchase Supplemental Announcement”	the announcement of the Company dated 27 September 2022 providing supplemental information on the ultimate beneficial owners of the Vendor
“Purchaser 1”	Zhonghuan Zhongqing (Anhui) New Energy Photovoltaic Technology Co. Ltd.* (中環中清(安徽)新能源光伏科技有限公司), a company established in the PRC with limited liability and is indirectly wholly owned by the Company
“Purchaser 2”	Zhonghuan Zhongqing (Anhui) Advanced Battery Manufacturing Co. Ltd.* (中環中清(安徽)先進電池製造有限公司), a company established in the PRC with limited liability and is indirectly wholly owned by the Company
“Purchasers”	Purchaser 1 and Purchaser 2
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

## DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TOPCon”	tunnel oxide passivated contact
“Vendor”	Zhonghuan Aineng (Jiangsu) Technology Co. Ltd.* (中環艾能(江蘇)科技有限公司), a company established in the PRC with limited liability
“%”	per cent.

\* For identification purposes only

*For the purpose of this circular, translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1 = RMB0.89. The conversions are for illustration purpose only and should not be taken as a representation that Renminbi could actually be converted into Hong Kong dollars at the abovementioned rate or any other rates or at all.*

**LETTER FROM THE BOARD**

**CENTRAL NEW ENERGY HOLDING GROUP LIMITED**

**中環新能源控股集團有限公司**

*(Formerly known as 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)**

*Executive Directors:*

Mr. Yu Zhuyun (*Chairman and Chief Executive Officer*)

Mr. Li Menglin

*Non-executive Directors:*

Mr. Qiao Xiaoge

Ms. Zhu Yujuan

*Independent Non-executive Directors:*

Dr. Li David Xianglin

Mr. Wang Wenxing

Dr. Zhou Chunsheng

*Registered Office:*

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PO Box 1350

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of Business in Hong Kong:*

Unit 2102-03 & 10-12

21/F, K. Wah Centre

191 Java Road

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Hong Kong

25 August 2023

*To the Shareholders:*

Dear Sir/Madam,

**MAJOR TRANSACTION  
IN RELATION TO  
THE EQUIPMENT PURCHASE AGREEMENT  
AND THE PREVIOUS EQUIPMENT PURCHASE AGREEMENT**

**1. INTRODUCTION**

Reference is made to the Announcement in relation to, among others, the Equipment Purchase Agreement and the transactions contemplated thereunder.

As disclosed in the Announcement, on 22 May 2023 (after trading hours), the Purchasers, both indirect wholly-owned subsidiaries of the Company, entered into the Equipment Purchase Agreement with the Vendor, pursuant to which the Purchasers agreed to purchase, and the Vendor agreed to sell, the Equipment at the consideration of RMB690,240,280 (equivalent to approximately HK\$775,550,876).

The purpose of this circular is to provide you with, among others, (i) further information of the Equipment Purchase Agreement and the transactions contemplated thereunder; and (ii) other information required to be contained in this circular under the Listing Rules.

## LETTER FROM THE BOARD

### 2. THE EQUIPMENT PURCHASE AGREEMENT

The principal terms of the Equipment Purchase Agreement are summarised as follows:

Date: 22 May 2023

Parties: (1) Purchaser 1;  
(2) Purchaser 2; and  
(3) the Vendor

Subject matter: The Equipment, being five fully automatic customised production lines for photovoltaic TOPCon battery, comprising TOPCon battery systems and related components

The Equipment Purchase Agreement is silent on the allocation of production lines between Purchaser 1 and Purchaser 2. However, it has been the intention of the parties (in particular, the Purchasers) at the signing of the Equipment Purchase Agreement that all of the Equipment will be allocated to Purchaser 2 (as a direct wholly owned subsidiary of Purchaser 1) for the carrying out of its principal business in the manufacturing and sales of TOPCon battery and photovoltaic products.

Consideration: RMB690,240,280 (equivalent to approximately HK\$775,550,876)

The consideration was determined after arm's length negotiations between the Purchasers and the Vendor with reference to the market price of equipment with similar function and performance.

The consideration is expected to be funded by internal resources of the Group.

The Directors considered that the consideration under the Equipment Purchase Agreement is fair and reasonable.

Payment terms: The consideration shall be paid to the Vendor by means of telegraphic transfer in the following manner:

- (i) RMB276,096,112 (equivalent to approximately HK\$310,220,351), being 40% of the total consideration, shall be paid by Purchaser 1 to the Vendor within one week after the Equipment Purchase Agreement is signed and becomes effective;
- (ii) RMB138,048,056 (equivalent to approximately HK\$155,110,175), being 20% of the total consideration, shall be paid by Purchaser 1 to the Vendor within one week after delivery and passing of the initial acceptance test of the Equipment; and

## LETTER FROM THE BOARD

- (iii) RMB276,096,112 (equivalent to approximately HK\$310,220,351), being 40% of the total consideration, shall be paid by Purchaser 1 to the Vendor in six equal instalments (i.e. each in the amount of RMB46,016,018.67 (equivalent to approximately HK\$51,703,392)) within 12 months (i.e. payable every two months) after the Equipment Acceptance Certificate is signed by the parties and the Equipment are put into production.

Save for the settlement of consideration by Purchaser 1 after the Equipment Purchase Agreement is signed and becomes effective, all other rights and obligations in the Equipment Purchase Agreement shall be enjoyed and borne by Purchaser 2.

**Delivery terms:** After the Equipment Purchase Agreement is signed and becomes effective, the Vendor shall deliver the Equipment to the location designated by the Purchasers before the date requested by the Purchasers, with transportation costs and insurance fees to be borne by the Vendor.

Completion of delivery will take place upon signing of the Equipment Acceptance Certificate. Before completion of delivery, the Vendor shall bear all risks arising from damaged or lost goods.

**Warranty period:** 12 months commencing from the day after the Equipment Acceptance Certificate is signed by the parties, where the Vendor's responsibility for repair and maintenance as well as quality assurance shall extend to ancillary installation and materials as well as spare parts of the Equipment.

**Liability for breach:**

- (i) In the event of late delivery by the Vendor, the Vendor shall pay the Purchasers a penalty of 0.1% of the total consideration of the Equipment Purchase Agreement on a daily basis. If delivery is three weeks overdue, the Purchasers shall have the right to terminate the Equipment Purchase Agreement and receive a penalty fee equivalent to 20% of the total consideration of the Equipment Purchase Agreement, together with a refund of any money paid to the Vendor;
- (ii) In the event of delay in commissioning by the Vendor, the Vendor shall pay the Purchasers a penalty of 0.1% of the total consideration of the Equipment Purchase Agreement on a daily basis. If commissioning is three weeks overdue, the Purchasers shall have the right to terminate the Equipment Purchase Agreement;



## LETTER FROM THE BOARD

- (iii) If the Vendor terminates the Equipment Purchase Agreement without consent of the Purchasers, the Vendor shall refund any money received from the Purchasers and bear a penalty equivalent to 20% of the total consideration of the Equipment Purchase Agreement;
- (iv) Any loss of production capacity, fragmentation, downgrade and/or other damages due to downtime caused by the Equipment shall be compensated by the Vendor at the price determined by the Purchasers; and
- (v) If the aforementioned liquidated damages are insufficient to make up for the losses of the non-breaching party, the breaching party shall be liable for the shortfall. For any liquidated damages and compensation payable by the Vendor, the Purchasers are entitled to deduct the same directly from the amount payable to the Vendor.

Effective date: The Equipment Purchase Agreement shall take effect upon execution by the parties, subject to compliance with any applicable provisions of the Listing Rules and/or requirements of the relevant regulatory authorities (as the case may be).

### 3. THE PREVIOUS EQUIPMENT PURCHASE AGREEMENT

Within 12 months prior to the entering into of the Equipment Purchase Agreement, the Group has also entered into the Previous Equipment Purchase Agreement with the Vendor on 21 September 2022 for the sale and purchase of the Previous Equipment at the consideration of RMB140,314,000 (equivalent to approximately HK\$157,656,180). Please refer to the Previous Equipment Purchase Announcement and the Previous Equipment Purchase Supplemental Announcement for further details of the Previous Equipment Purchase Agreement and the transactions contemplated thereunder.

### 4. INFORMATION ON THE PARTIES

#### Information on the Purchasers

Both of the Purchasers are companies established in the PRC with limited liability and indirect wholly-owned subsidiaries of the Company. While Purchaser 1 is principally engaged in, among others, (i) green building and ecological habitat development; (ii) new energy and engineering, procurement and construction of photovoltaic products (“EPC”), Purchaser 2 is principally engaged in manufacturing and sales of TOPCon battery and photovoltaic products.

## LETTER FROM THE BOARD

### Information on the Vendor

The Vendor is a company established in the PRC with limited liability. To the best knowledge of the Directors, it is principally engaged in, among others, (i) development, design, sales, maintenance of, and provision of technical services for, photovoltaic power station projects; (ii) research and development, manufacturing, processing and sales of photovoltaic equipment and components; and (iii) research and development of new energy and new materials.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date:

- (i) the Vendor is wholly owned by Zhonghuan Aineng (Beijing) Technology Co. Ltd.\* (中環艾能(北京)科技有限公司);
- (ii) Zhonghuan Aineng (Beijing) Technology Co. Ltd.\* (中環艾能(北京)科技有限公司) is owned as to 60% by Wuxi Aineng Electric Power Engineering Co. Ltd.\* (無錫艾能電力工程有限公司) and as to 40% by TCL Zhonghuan Renewable Energy Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002129);
- (iii) Wuxi Aineng Electric Power Engineering Co. Ltd.\* (無錫艾能電力工程有限公司) is owned as to 60% by Jiangsu Zhongqing Guotou Industrial Development Group Co. Ltd.\* (江蘇中清國投實業發展集團有限公司) and 40% by Ren Yidong\* (任一東);
- (iv) Jiangsu Zhongqing Guotou Industrial Development Group Co. Ltd.\* (江蘇中清國投實業發展集團有限公司) is owned as to 56.98% by Jiangsu Boao Health Management Co. Ltd.\* (江蘇博奧健康管理有限公司), 37.98% by Jiangsu Lvodian Investment Co., Ltd. (江蘇綠電投資有限公司), 2.85% by Jiangsu Xiyi Emerging Industry Fund Investment Management Co. Ltd.\* (江蘇錫沂新興產業基金投資管理有限公司) and 2.19% by Xinyi Green Low Carbon Emerging Industry Venture Capital Fund Partnership (Limited Partnership)\* (新沂市綠色低碳新興產業創業投資基金合夥企業(有限合夥));
- (v) Jiangsu Boao Health Management Co. Ltd.\* (江蘇博奧健康管理有限公司) is owned as to 95% by Ren Yidong\* (任一東) and 5% by Zhao Zhiguo\* (趙治國); and
- (vi) Jiangsu Lvodian Investment Co., Ltd.\* (江蘇綠電投資有限公司) is wholly owned by Ren Yidong\* (任一東).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

## LETTER FROM THE BOARD

### 5. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUIPMENT PURCHASE AGREEMENT

The Group is principally engaged in the business of (i) building works and construction related business in the PRC and Hong Kong; (ii) food and beverage supply chain; (iii) health and wellness; (iv) smart logistic and information technology system; and (v) new energy and EPC (which includes the manufacturing and sales of photovoltaic components).

As disclosed in the annual report of the Company published on 28 April 2023, in addition to engaging in building works and construction related business, the Group is also committed to responding to the national policies of the PRC on carbon neutrality by further leveraging its competitive strength in areas of green buildings and construction. In particular, the Group is devoted to building on the foundation of its existing building works and construction related business to practise the concept of green development through investing in photovoltaic new power generation system and energy storage technology to help create an energy-saving and sustainable living environment. In the third quarter of 2022, in line with the Group's business strategy as aforementioned, the Group began to seek for and procure new green energy business opportunities in order to obtain higher returns for the Shareholders and in particular, commenced in the manufacturing and sales of photovoltaic components. During the year ended 31 December 2022, the Group's new energy and EPC business recorded a revenue of approximately HK\$58.6 million, which accounted for approximately 3.6% of the Group's total revenue. On the other hand, during the same financial year, the Group's revenue from the building works and construction related business segment increased from approximately HK\$810 million to approximately HK\$853 million, representing an increase of about 5.3%, as compared to that of the previous financial year.

The Equipment to be acquired under the Equipment Purchase Agreement are mainly for the purpose of setting up five production lines for photovoltaic TOPCon battery. The Directors believe that the purchase of the Equipment would allow the Group to contribute towards the Group's business in the manufacturing and sales of photovoltaic battery and further tap into the photovoltaic business and diversify the business operations of the Group. Moreover, the Directors are of the view that, given the government's focus on and hence the huge development opportunities for green energy investment in the PRC (for further details, please refer to the subsection headed "4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP" on pages I-2 to I-3 of this circular), the strategic investment in new energy and EPC business will allow the Group to leverage its experience and competitive strength in its existing building works and construction related business to expand its business opportunities and target customer group in areas of green buildings and construction, which will in turn (i) bring further opportunities to and benefit the Group's building works and construction related business by enhancing the Group's expertise and market presence in green buildings and construction as one-stop solution services provider for building works that integrates green energy and facilitates sustainable living; and (ii) diversify the Group's business portfolio and broaden its income source which allows further investment in and strategic development of the Group's other businesses. As such, the Directors consider that the development of photovoltaic business, which is related to and falls under one of the Group's five main business segments in

## **LETTER FROM THE BOARD**

new energy and EPC, will bring synergy to the Group's other principal businesses, especially in the building works and construction segment, and strengthen the revenue base of the Group, which will in turn enhance return to the Shareholders.

The Group has taken into account the market reputation, expertise and product quality of the Vendor and compared the market price of equipment with similar functions and performance before entering into the Equipment Purchase Agreement. In particular, the Group is of the view that the Vendor being indirectly owned as to 40% by an A-share listed company principally engaged in the manufacturing and sales of new energy photovoltaic products has solid financial strength and operational capability to fulfil its obligations contemplated under the Equipment Purchase Agreement (including but not limited to the timely provision of products that meet the specifications required under Equipment Purchase Agreement). Moreover, the terms of the Equipment Purchase Agreement are arrived at after arm's length negotiation between the Purchasers and the Vendor. The Directors are of the view that the Equipment Purchase Agreement is on normal commercial terms, the terms thereof are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

### **6. FINANCIAL EFFECT OF THE PURCHASE OF THE EQUIPMENT**

The Equipment were not assembled and put to use before the entering into of the Equipment Purchase Agreement. Hence, there is no identifiable income stream attributable to the Equipment. In addition, as the consideration for the Equipment was determined after arm's length negotiation based on the market price of equipment with similar functions and performance among the parties thereto, no asset valuation has been performed on the Equipment.

The consideration for the Equipment is RMB690,240,280 (equivalent to approximately HK\$775,550,876), which is expected to be funded by internal resources of the Group. The purchase of the Equipment is therefore expected to result in (i) an increase in assets arising from the Equipment of approximately HK\$776 million; and (ii) a decrease of net cash position by approximately HK\$776 million. Whilst the overall effect of the purchase of the Equipment on the future earnings of the Company will depend on, among others, the market demand of the Group's photovoltaic TOPCon battery. Save as disclosed above, it is expected that the purchase of the Equipment would not have any material effect on the financial position and earnings of the Group.

### **7. LISTING RULES IMPLICATIONS**

The transactions contemplated under the Equipment Purchase Agreement and the Previous Equipment Purchase Agreement constitute a series of transactions made with the Vendor within a period of 12 months and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equipment Purchase Agreement, both when calculated individually and when aggregated with that of the Previous Equipment Purchase Agreement, exceeds 25% but all of them are less than 100%, the entering into of the Equipment Purchase Agreement and the transactions contemplated thereunder constitute a major transaction of the Company and are subject to notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Equipment Purchase Agreement or is required to abstain from voting if a general meeting of the Company is to be convened to approve the transactions contemplated under the Equipment Purchase Agreement. The Company has obtained written approval regarding the transactions contemplated under the Equipment Purchase Agreement from Central Culture, which is a Shareholder holding 722,594,580 Shares, representing approximately 68.43% of the entire issued share capital of the Company, as at the Latest Practicable Date. Accordingly, pursuant to Rule 14.44 of the Listing Rules, the Company is exempted from convening a general meeting of its Shareholders to approve the transactions contemplated under the Equipment Purchase Agreement.

### 8. RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the view that the Equipment Purchase Agreement is on normal commercial terms, and the terms thereof (including but not limited to the consideration for the Equipment) are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. Had a general meeting been convened for the approval of the Equipment Purchase Agreement and the transactions contemplated thereunder, the Directors, including the independent non-executive Directors, would have recommended the Shareholders to vote in favour of the Equipment Purchase Agreement and the transactions contemplated thereunder at such general meeting.

### 9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Central New Energy Holding Group Limited**  
**Yu Zhuyun**  
*Chairman, Chief Executive Officer and Executive Director*

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial information of the Group for the three most recent financial years are disclosed in the following documents which have been published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chghk.com](http://www.chghk.com)):

- (a) the annual report of the Company for the year ended 31 March 2020 published on 2 July 2020 (pages 46 to 116);
- (b) the annual report of the Company for the nine months ended 31 December 2020 published on 28 April 2021 (pages 53 to 138);
- (c) the annual report of the Company for the year ended 31 December 2021 published on 28 April 2022 (pages 61 to 146); and
- (d) the annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 64 to 152).

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2023, being the latest practicable date for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

### Bank borrowings and loans

	<i>HK\$'000</i>
<b>Secured:</b>	
Bank borrowings	271,080
<b>Unsecured:</b>	
Loan from Independent Third Party	<u>58,000</u>
	<b><u><u>329,080</u></u></b>

Bank borrowings of approximately HK\$271,080,000 are secured by (i) a pledge over certain landed properties of the Group with an aggregate carrying amount of approximately, HK\$408.5 million; and (ii) guarantees given by (a) Mr. Yu Zhuyun (a controlling Shareholder and an executive Director of the Company); and (b) the Company, and bear interests in the range of 5.2% to 6.9% per annum.

The loan from Independent Third Party of approximately HK\$58,000,000 is not secured or guaranteed, and bear interest at 5% per annum.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 June 2023, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or other borrowings, mortgages, charges, guarantees, obligation under finance leases, promissory note or other material contingent liabilities.

### **3. WORKING CAPITAL SUFFICIENCY**

The Directors, after due and careful enquiry, are of the opinion that, taking into account the internal financial resources and credit facilities available to the Group and the effects of the entering into of the Equipment Purchase Agreement and the transactions contemplated thereunder, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of this circular.

### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As at the Latest Practicable Date, the Group had five main segments, which are (i) building and construction related business; (ii) food and beverage supply chain; (iii) health and wellness services; (iv) smart logistic and information technology development; and (v) new energy and EPC. The Group seeks to achieve synergistic value amongst the five segments in order to obtain higher returns and greater business opportunities for the Group.

Since 2020, the PRC government has aimed to reach carbon dioxide emission peak before 2030 and achieve carbon neutrality before 2060. The PRC government's target for carbon neutrality and zero emissions is believed to reshape investment in unprecedented ways. In the next three decades, the investment scale required to achieve carbon neutrality in the PRC is expected to reach RMB136 trillion, which will bring huge development opportunities for green energy investment. The Group believes that the strategic investment in green buildings and new green energy could expand the Group's business opportunities and broaden its income sources.

Since 2023, the Group has gradually expanded into the business of EPC. The Group seeks to seize business opportunities in the segments of green buildings and new green energy to obtain higher returns for the Shareholders. The Group is also committed to responding to national policies on carbon neutrality by further leveraging its competitive strength in areas of green buildings and construction through use of scientific management and technical improvement with an aim to achieve low carbon and green environmental protection. In particular, the Group is devoted to building on the foundation of its existing building and construction related business to practise the concept of green development through investing in photovoltaic new power generation system and energy storage technology to help create an energy-saving and sustainable living environment.

In September 2022, the Group purchased two fully automatic production lines for photovoltaic modules and has commenced manufacturing and sales of photovoltaic components since December 2022. The Group is also expanding into manufacturing and sales of photovoltaic battery in 2023. In May 2023, the Group entered into an equity subscription and investment agreement with a stated-owned enterprise, which is expected to be beneficial to the future growth of the Group's new energy and EPC business by (i) allowing the Group to leverage its experience and capabilities in the new energy photovoltaic products market, and (ii) diversifying the corporate profile of the Group, thereby enhancing its reputation and increasing its ability in attracting future investors and strategic partners who can create synergy for the Group in terms of business expansion. Looking forward, with favourable policies of the PRC government in respect of new energy, the Group plans to further develop its new energy and EPC business in the PRC. Meanwhile, the Group will coordinate domestic and overseas market resources for optimising assets allocation, thereby realising scale expansion and intensive development of photovoltaic power and other new energy businesses.

In addition to the ongoing development of the existing new energy businesses of the Group, the Group will also strive to keep up with the industry's new technology development trends, and actively promote the combination of energy and data by capturing new opportunities arising from the clean energy industry ecosystem. Furthermore, the Group plans to focus on integrated energy business with an emphasis on big data, and integrate various types of resources including distributed energy, energy storage and hydrogen energy and user loads. In this connection, the Group will research on the areas of, and promote, multi-energy complementary integrated services and terminal energy solutions based on renewable energy, with an aim to realising business optimisation and transformation, as well as sustainable development of the Group through value creation.

All in all, the Group will continue to strive for sustainable income and balanced growth, and achieve sustainable gains for its Shareholders. The Group will also continue to review its working capital level on an on-going basis in order to achieve its business objectives.



## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 knowledge and belief, the information contained in this circular 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 contained in this circular or the circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Directors' and chief executive's interests in the Shares

As at the Latest Practicable Date, the interest and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, or which, pursuant to section 352 of the SFO, have been entered in the register referred to therein were as follow:

#### (a) Long positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested in	Approximate percentage of interest in the Company
Mr. Yu Zhuyun	Interest in a controlled corporation ( <i>Note</i> )	722,594,580	68.43%
Mr. Li Menglin	Beneficial owner	80,000	0.01%
Ms. Zhu Yujuan	Beneficial owner	120,000	0.01%

*Note:* Mr. Yu Zhuyun holds the entire issued share capital in Central Culture and Central Culture holds approximately 68.43% of the total number of issued Shares. Therefore, Mr. Yu Zhuyun is taken to be interested in the number of Shares held by Central Culture pursuant to Part XV of the SFO.

*(b) Long positions in the ordinary shares of associated corporation of the Company*

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of shares held/interested in	Percentage of issued share capital
Mr. Yu Zhuyun	Central Culture	Beneficial owner	50,000	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, or which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO.

Mr. Yu Zhuyun is also the sole director of Central Culture.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(ii) Substantial shareholders' interests in the Shares**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) or corporations had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or which would directly or indirectly amount to 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

*Long positions in the Shares*

Name of Shareholder	Capacity/Nature of interest	Number of Shares held/ interested in	Approximate percentage of interest in the Company
Central Culture	Beneficial owner	722,594,580	68.43%

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than the Directors and the chief executive of the Company) or corporation who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or which would directly or indirectly amount to 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

**5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

## **6. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested, whether directly or indirectly, in any contract or arrangement which is significant in relation to the business of the Group.

## **7. COMPETING INTEREST**

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or their respective close associates (as defined in the Listing Rules) had an interest which competed or may compete, either directly or indirectly, with the business of the Group.

## **8. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## **9. MATERIAL CONTRACTS**

Save as disclosed below, no material contract (not being contracts entered into in the ordinary course of business of the Group) has been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (a) the Previous Equipment Purchase Agreement, pursuant to which Purchaser 1 and Zhonghuan Zhongqing (Anhui) Photovoltaic Module Co. Ltd.\* (中環中清(安徽)光伏組件有限公司), both indirect wholly owned subsidiaries of the Company as at the date of the Previous Equipment Purchase Agreement, agreed to purchase, and the Vendor agreed to sell, the Previous Equipment at the consideration of RMB140,314,000 (please refer to the Previous Equipment Purchase Announcement and the Previous Equipment Purchase Supplemental Announcement for details);
- (b) the Equipment Purchase Agreement;

- (c) the equity subscription and investment agreement dated 29 May 2023 entered into among (1) Central Green Building & Energy Resources Group (HK) Limited (“**Central Green**”), an indirect wholly owned subsidiary of the Company and the sole shareholder of Purchaser 1 immediately prior to the completion of the investment, (2) Purchaser 1, an indirect wholly owned subsidiary of the Company immediately prior to the completion of the investment and (3) Anhui Zhoulai Holding (Group) Co., Ltd.\* (安徽州來控股(集團)有限公司) (the “**Investor**”), pursuant to which the Investor agreed to invest in Purchaser 1 in an aggregate amount of RMB600,000,000, representing approximately 42.86% of the enlarged registered capital of Purchaser 1, which comprised (i) the conversion of a loan in the amount of RMB350,000,000 owing by Purchaser 1 to the Investor into conversion capital of RMB350,000,000; and (ii) the subscription of RMB250,000,000 as additional capital by way of cash contribution (please refer to the announcement of the Company dated 29 May 2023 for details); and
- (d) the supplemental equity subscription and investment agreement dated 29 May 2023 entered into among Central Green, Purchaser 1 and the Investor, pursuant to which it was agreed that the capital contributed by the Investor to Purchaser 1 would, in aggregate, be increased from RMB600,000,000 to RMB700,000,000, representing approximately 46.67% of the enlarged registered capital of Purchaser 1 (please refer to the announcement of the Company dated 29 May 2023 for details).

## 10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Unit 2102–03 & 10–12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (d) The company secretary of the Company is Mr. Tung Tat Chiu, Michael, a practicing solicitor in Hong Kong and a China-Appointed Attesting Officer.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be on display on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chghk.com](http://www.chghk.com)) for a period of 14 days from the date of this circular:

- (a) the Previous Equipment Purchase Agreement; and
- (b) the Equipment Purchase Agreement.