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CHINA ANCHU ENERGY STORAGE GROUP LIMITED

中國安儲能源集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 2399)

VOLUNTARY ANNOUNCEMENT FRAMEWORK COOPERATION AGREEMENT

This announcement is made by China Anchu Energy Storage Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Jiangsu HengAn Energy Technology Co., Ltd.* (江蘇恒安儲能科技有限公司) (“**Jiangsu HengAn**”), an indirectly wholly-owned subsidiary of the Company, and Suqian High-Tech Industrial Development Zone Management Committee* (宿遷高新技術產業開發區管理委員會) (the “**SDZ Management Committee**”, and together with Jiangsu HengAn, the “**Parties**”) have recently entered into a non-legally binding framework cooperation agreement (the “**FCA**”) in relation to the possible cooperation (the “**Possible Cooperation**”) between the Parties on the development of various facilities of the Group in Suqian High-Tech Industrial Development Zone* (宿遷高新技術產業開發區) (the “**Suqian Development Zone**”), which is a China National High-Tech Industrial Development Zone* (國家級高新技術產業開發區) located in Jiangsu province of the People’s Republic of China (the “**PRC**”).

Subject Matter of the FCA

Pursuant to the FCA, the Group plans to construct a zinc-bromine flow battery production facility with expected annual production capacity of 10GWH in the Suqian Development Zone (the “**Proposed Project**”). The SDZ Management Committee will provide the suitable land in the Suqian Development Zone based on the Proposed Project’s requirements and provide support in liaising with the relevant government authorities in respect of the Proposed Project. The terms of the Possible Cooperation are subject to further negotiations, agreement and execution of formal agreement(s) between the Parties.

Reasons for entering into the FCA

The Group is principally engaged in (i) the sales of industrial products to customers located in Saudi Arabia; (ii) the sales of menswear apparel and brand licensing in the PRC; and (ii) the sales of energy storage battery in the PRC.

As at the date of this announcement, the zinc-bromine flow battery production base of the Group is located in Nanjing Jiangning Economic and Technological Development*(南京江寧經濟技術開發區). The Board believes that the Proposed Project, if materialises, would help to expand the Group's energy storage battery segment. Thus, the FCA is in the overall interests of the Group and its shareholders. Looking ahead, the Group will actively negotiate with the SDZ Management Committee to finalise the details of the Proposed Project.

The Group will continue to explore opportunities to expand its energy storage battery segment, including cooperation with other new energy industrial development zone(s) in the PRC with a view to enhance its value to its shareholders.

The Board would like to emphasise that the Possible Cooperation contemplated under the FCA is subject to execution of the final agreement by the Parties and may or may not proceed. The Company will make further announcement(s) on the Possible Cooperation in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as and when appropriate.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

**For identification purpose only*

By Order of the Board
China Anchu Energy Storage Group Limited
Duan Huiyuan
Executive Director

Hong Kong, 14 November 2023

As at the date of this announcement, the executive Directors are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung, Mr. Lu Ke and Mr. Duan Huiyuan; non-executive Director is Mr. Wang Yan; and the independent non-executive Directors are Mr. Cheung Chiu Tung, Mr. Poon Yick Pang Philip and Mr. Ma Yu-heng.

Website: www.fordoo.cn