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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 A COOPERATION FRAMEWORK 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 25 May 2024, Sungrow Renewables Development Co., Ltd.* (陽光新能源開發股份有限公司) (“**Sungrow Renewables**”) and Central Low Carbon New Energy (Anhui) Group Co., Ltd.* (中環低碳新能源(安徽)集團有限公司) (“**Central Low Carbon**”), an indirect wholly-owned subsidiary of the Company, entered into a cooperation framework agreement (the “**Agreement**”), pursuant to which the parties to the Agreement (the “**Parties**”) intend to strengthen the strategic cooperative relationship between the Parties, expand the scale of cooperation, enhance the substance of cooperation and innovate the mode of cooperation.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

- Date : 25 May 2024
- Parties : (i) Sungrow Renewables; and
(ii) Central Low Carbon.
- Purpose of cooperation : (1) The basic principles of the Agreement are, among others, voluntariness, win-win, mutual benefits, mutual promotion and joint development.
- (2) By fully leveraging their respective advantages, the Parties shall complement each other’s advantages, improve their competitiveness, jointly develop domestic and foreign markets, guide and promote the healthy development of the new energy industry.

(3) The Agreement is a framework agreement guiding the long-term cooperation of the Parties in the future, setting out the foundation for the Parties to sign relevant agreement(s).

Mode and content of cooperation

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- (1) Domestic centralised power station field: Sungrow Renewables will cooperate closely with Central Low Carbon to develop projects of not less than 500,000 kilowatts around regions such as Huainan City and Tongcheng City. Sungrow Renewables will rely on its own industry experience and cost advantages to maximise the benefits of the projects. The cooperative development between the Parties shall fully leverage the advantages of Sungrow Renewables, with Sungrow Renewables taking the lead. Sungrow Renewables shall be responsible for the investment, construction and operation of the cooperation projects, while Central Low Carbon shall rely on its industrial advantages to strive for local support. The specific capacity is subject to the approval of the local government where the projects are located.
 - (2) Joint development/bidding: The Parties have agreed to strengthen base project cooperation around the national new energy base planning layout with a focus on Huainan City and Tongcheng City, for industrial implementation, equipment manufacturing and resource development, with view to striving for million-kilowatt project resources, and enhancing the competitive advantages and scale proportion of the base. The specific cooperation mode shall be further agreed between the Parties.
 - (3) In addition to the photovoltaic resources obtained from Central Low Carbon's industrial investment, Sungrow Renewables shall give priority to Central Low Carbon and its associated companies when acquiring photovoltaic batteries or modules for other photovoltaic projects invested by Sungrow Renewables, upon the same market terms and conditions, provided that the quality and other requirements of Sungrow Renewables are met.
 - (4) Sungrow Renewables will actively assist Central Low Carbon in selling photovoltaic cells, provided that the compliance and quality requirements of Sungrow Renewables and the module manufacturers are met.

- (5) Solar energy products of Sungrow Renewables' holding company, Sungrow Power Supply Co., Ltd. ("**Sungrow Power Supply**"), including but not limited to photovoltaic inverters, energy storage systems and floating system equipment, shall be recommended to be adopted by purchasers in those relevant projects where Central Low Carbon and other third party(ies) are involved.
- (6) The Parties will jointly construct a photovoltaic innovation laboratory to co-develop new high-efficiency photovoltaic batteries and modules, with the relevant outcome shared between the Parties. Specific matters shall be determined between the Parties by separate agreement(s).
- (7) Central Low Carbon shall give priority to select Sungrow Renewables as the investment construction operator for Central Low Carbon's user-side storage business in the later stage.

Communication mechanism : In order to actively implement the Agreement, the Parties shall establish a mutual visit mechanism between their respective senior management, a contact person mechanism and an information exchange mechanism. The senior management of the Parties shall visit each other regularly to exchange views on strategic cooperation directions, major cooperation projects and their implementation progress, to coordinate project advancement, and to form a smooth business communication channel. At the same time, the Parties shall establish an interactive platform for information exchange to communicate regularly on industrial development trends, major construction projects and market information, and to seek further cooperation opportunities.

Non-legally binding effect and validity period : The Agreement shall take effect on the date of its execution and be valid for 3 years. The Agreement is merely a letter of intent entered into between the Parties to strengthen their strategic cooperation. Save for confidentiality obligations, the Agreement is not binding on the Parties. The Parties shall sign specific cooperation agreement(s) for specific cooperation project(s) under the framework of the Agreement. The rights and obligations of the Parties regarding specific project(s) shall be subject to the signed specific cooperation agreement(s), approval of regulatory bodies and other legal documents.

INFORMATION ABOUT SUNGROW RENEWABLES

Sungrow Renewables, a company established in the People’s Republic of China with limited liability, is principally engaged in new energy development and is a controlled subsidiary of Sungrow Power Supply. Sungrow Power Supply’s shares are listed on the Shenzhen Stock Exchange. To the best knowledge of the Directors, the controlling shareholder and the ultimate controlling party of Sungrow Power Supply is Mr. Cao Renxian (曹仁賢), and Sungrow Power Supply is the largest photovoltaic enterprise in the world.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Sungrow Renewables 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**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group currently has five main business segments, namely, (i) green building and construction related business; (ii) new energy and engineering, procurement and construction; (iii) smart energy management services; (iv) health and wellness; and (v) food and beverage supply chain. The Board believes that the cooperation framework as contemplated and outlined in the Agreement will allow the Group to leverage its experience and capabilities in the development and operation of new energy projects. The Board also believes that the cooperation (especially in the area of centralised power station, battery modules and joint photovoltaic innovation laboratory) may expand the Group’s business opportunities, broaden its income sources and enhance its financial performance. Thus, the Board considers that the cooperation with Sungrow Renewables 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 a cooperation framework between the Group and Sungrow Renewables. The detailed terms of the cooperation contemplated under the Agreement are subject to the terms of any definitive agreement(s) which the 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, 25 May 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*