Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

China New Energy Limited

*(Incorporated in Jersey, Channel Islands with limited liability and carrying on business in Hong Kong as "**Zhongke Tianyuan New Energy Limited**")*

(Stock Code: 1156)

QUARTERLY UPDATE ON THE ACTION PLAN TO ADDRESS THE DISCLAIMER OF OPINION CONTAINED IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to (i) the annual report of China New Energy Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") for the year ended 31 December 2025 published on 29 April 2026 (the "**Annual Report**"), (ii) the Company's interim report for the six months ended 30 June 2026 (the "**Interim Report**"), the announcements of the Company dated 25 June 2026 and 15 July 2026 in relation to the placing of 117,951,779 shares (the "**First Placing**"), the announcement of the Company dated 10 September 2026 in relation to the change of use of proceeds arising from the First Placing, and the announcements of the Company dated 9 November 2026 and 19 November 2026 in relation to the placing of 117,951,779 shares (the "**Second Placing**"). Unless otherwise stated, capitalised terms used in this announcement have the same meanings as those defined in the Annual Report.

QUARTERLY UPDATE ON THE COMPANY'S ACTION PLAN TO ADDRESS THE DISCLAIMER OF OPINION CONTAINED IN THE ANNUAL REPORT

The board of directors of the Company (the "**Board**") wishes to provide an update up to 29 October 2026 on the Disclaimer of Opinion (defined below) as disclosed in the Annual Report.

As disclosed in the Annual Report, due to material uncertainty relating to the Group's ability to continue as a going concern, the Company's auditor issued a disclaimer of opinion (the "**Disclaimer of Opinion**") on the Group's consolidated financial statements for the year ended 31 December 2025. The Company has formulated an action plan to address the Disclaimer of Opinion. The Board hereby provides a quarterly update on the latest progress of the action plan, as well as a quarterly update on the measures implemented by the Group's management to improve the Group's financial position and to resolve the underlying factors giving rise to the Disclaimer of Opinion. A summary of the latest progress on the key measures is set out below:

1. New Financing and Capital Management

(1) The First Placing

On 15 July 2026, the Company successfully placed an aggregate of 117,951,779 placing shares at a placing price of HK$0.173 per placing share to not less than six placees, representing approximately 16.67% of the Company's issued share capital as enlarged by the allotment and issue of the placing shares immediately upon completion of the placing. The net proceeds from the placing (after deducting placing commission and other related expenses) amounted to approximately HK$19.59 million. The Company intended to apply all the net proceeds from the placing to replenish the Company's general working capital. After prudent consideration and detailed assessment of the Group's operations and business strategy, the Board resolved to reallocate the unutilised net proceeds, with HK$9.59 million to be applied as general working capital and HK$10.00 million to be allocated to the establishment of new subsidiaries and business expansion.

(2) The Second Placing

On 9 November 2026 (after trading hours), the placing agent entered into a placing agreement with the Company, pursuant to which the placing agent agreed, on a best-efforts basis, to place up to 117,951,779 placing shares at a price of HK$0.161 per placing share to not less than six placees. Assuming all the placing shares are fully subscribed, the gross proceeds upon completion will be approximately HK$18.99 million, and the net proceeds from the placing are estimated to be approximately HK$18.24 million. The net price per placing share is estimated to be approximately HK$0.155. The Company intends to apply all the net proceeds from the placing to the Group's business operations and general working capital. The placing is conditional upon the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the placing shares (and such listing and approval not having been withdrawn prior to completion). As at the date of this announcement, approval for the grant of the listing of and permission to deal in the shares under the Second Placing not yet been obtained from the Stock Exchange. Pursuant to the terms and conditions of the Placing Agreement, the completion of the Placing is subject to the conditions precedent set out in the Placing Agreement to be fulfilled on or before 30 November 2026 (or such later date as may be agreed between the Company and the Placing Agent) (the "**Long Stop Date**"). As stated in the announcement of the Company dated 27 November 2026, as additional time is required for the Placing Agent to procure investors to subscribe for the Placing Shares, the Company and the Placing Agent, after arm's length negotiation, entered into a supplemental agreement to the Placing Agreement on 27 November 2026 (after trading hours of the Stock Exchange), whereby the parties agreed to extend the Long Stop Date from 30 November 2026 to 14 December 2026 (or such later date to be agreed between the Company and the Placing Agent in writing). Save and except for the extension of the Long Stop Date, all the terms and conditions of the Placing Agreement remain unchanged and continue in full force and effect.

2. Strengthening Cash Collection and Working Capital Management

(1) The Group's management has actively negotiated with project owners to handle project acceptance and explore ways of early repayment of trade receivables which are not yet due.

(2) Marketing efforts have been stepped up in a bid to secure more contracts. However, as the industry has been affected by the stagnant economic environment, as at the date of this announcement, the Company has signed 19 new contracts, with an aggregate contract value of approximately RMB10.16 million. On 18 November 2026, the Company and a consortium won the bid for an engineering, procurement and construction contract for a distillation dehydration and quality improvement technical transformation project in Yushu City, Jilin Province, with a bid amounting to RMB19.62 million, of which the contract amount proposed to be allocated to the Company is RMB15.30 million. The contract is yet to be signed.

(3) While the Group continues to prudently manage its principal business operations, the Board has been actively reviewing the Group's strategic development and business portfolio in order to identify high-growth, high value-added industries that can bring sustainable long-term returns to the Shareholders. The Group has established a new wholly-owned subsidiary and expanded its business. The subsidiary is engaged in the operation and deployment of AI-driven energy storage and charging robots, as well as the trading of energy storage and computing power equipment (collectively, the "**New Energy Business**"). According to the executed sales contracts entered into by the Group in respect of the New Energy Business, revenue of approximately RMB6.95 million is expected to be recognised during the financial year ending 31 December 2026.

3. Cost and Expense Control

The Group's management has explored the adoption of a new performance appraisal system under which performance is assessed based on the Company's profits. Linking performance directly to profitability strengthens cost control, thereby transforming fixed personnel costs into dynamic, variable performance-linked expenses that naturally scale alongside the Company's financial results.

4. Negotiations with Lenders and Creditors

The Group's management has proactively negotiatedwith creditor banks and successfully secured renewals of borrowings under the existing credit facilities. It has also discussed with other creditors various mutually acceptable repayment arrangements, including instalment payments and deferred payment schedules.

Review by the Audit Committee

In reviewing and monitoring the implementation of the above measures, the Audit Committee:

1. regularly obtained from the Company's management updates on the implementation status and actual progress on the Company's operating plans and measures (including but not limited to negotiations with such banks);

2. discussed with the Company's management the Company's liquidity position and cost reduction measures;

3. assessed whether there were any material deviations in the cash flow forecasts and, if so, discussed the relevant root causes and corresponding remedial measures; and

4. discussed with the Company's auditor to understand the basis for the Disclaimer of Opinion and the matters giving rise thereto, including but not limited to the auditor's concerns regarding the significant assumptions supporting the going concern assessment, the relevant information and the implementation of the plans and measures, as well as possible solutions to the Disclaimer of Opinion in light of the current circumstances.

Having considered the above, the Audit Committee agrees with the view of the Company's management that the above measures taken to address the Disclaimer of Opinion have so far been implemented as planned. The Audit Committee will continue to oversee the implementation and progress of such measures, the Group's liquidity position and cash flow forecasts, and will discuss with management in a timely manner to assess or adjust the plans and measures and the relevant assumptions.

The Board will continue to use its best endeavours to take appropriate measures to resolve the root causes of the matters underlying the Disclaimer of Opinion (including but not limited to undertaking further fund-raising activities) and will publish further announcements as and when appropriate in accordance with the Listing Rules and/or the requirements of the Stock Exchange.

Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China New Energy Limited
Yu Weijun
Chairman

Hong Kong, 27 November 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Yu Weijun (Chairman); and three independent non-executive Directors, namely Mr. Richard Antony Bennett, Mr. Chan Shing Fat Heron and Ms. Zhang Junting.