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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)

RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

This announcement is made by China New Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on 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 23 March 2021, 31 March 2021 and 13 April 2021 in relation to, amongst other matters, the delay in publication of the final results of the Group for the year ended 31 December 2020 and the suspension of trading of its shares. Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On 5 May 2021, the Company received a letter from the Stock Exchange (the “**Letter**”), in which the following resumption guidance (the “**Resumption Guidance**”) was set out for the Company:

- (i) conduct an appropriate independent investigation into the audit issues raised by the Company’s auditors as disclosed in the announcement of the Company dated 31 March 2021, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (ii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iii) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (iv) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

According to the Letter, the Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes. It is further stated in the Letter that the Company must remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume, and that for this purpose, the Company has the primary responsibility to devise its action plan for resumption.

Pursuant to Rule 6.01A (1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period will expire on 30 September 2022. If the Company fails to remedy the issues causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2022, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Pursuant to Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company will make its best efforts to fulfill the conditions as set out in the Resumption Guidance, fully comply with the Listing Rules to the Stock Exchange's satisfaction and will seek to resume trading in its shares as soon as possible.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021, and will remain suspended until further notice.

The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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

Hong Kong, 7 May 2021

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Yu Weijun and Mr. Tang Zhaoxing; and three independent non-executive directors, namely Mr. Richard Antony Bennett, Mr. Chan Shing Fat Heron and Mr. Chan Siu Shan Sam.