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## **CHINA NEW CONSUMPTION GROUP LIMITED**

### **中國新消費集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8275)**

## **VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE**

This announcement is made by China New Consumption Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to provide the shareholders of the Company (the “**Shareholders**”) and potential investors an update on the latest business development of the Group.

The Group is a foundation contractor primarily specialising in bored piling works as well as other foundation works. As stated in the interim report of the Company for the six months ended 30 September 2023, the outbreak of COVID-19 throughout the period has created economic uncertainty to Hong Kong and imposed negative impacts on the foundation industry, including supply chain disruptions, workforce shortages due to illness and preventative quarantines, and work stoppages due to measures imposed by the government. The board (the “**Board**”) of directors (the “**Directors**”) of the Company are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging. Hence, the Board believes that there is a need for the Group to diversify its business development strategies by venturing into new business opportunities.

According to *The Landscape and Outlook of China’s Petroleum Market* (中國石油市場形勢與展望) published by the Institute of Economics and Technology of China National Petroleum Corporation (中國石油集團經濟技術研究院), 2023 is a year of recovery for the petroleum market in the People’s Republic of China (the “**PRC**”) following a year of subdued demand and supply in 2022, where demand for refined petroleum products is expected to register a year-on-year growth of 9.3% for the year, essentially recuperating the level in 2019. As a major global supplier and consumer of petroleum and petrochemical products, the petroleum market of the PRC will continue its in-depth integration into the international market and play a positive role in stabilizing the global petroleum market.

The Organization of the Petroleum Exporting Countries (OPEC) has forecasted that the demand for petroleum in the PRC during the first half of 2024 to increase by 3.2% annually to 16,410,000 barrels per day, while the International Energy Agency (IEA) has projected that demand for petroleum in the PRC throughout 2024 to increase by 3.9% annually to 17,100,000 barrels per day. According to energy consultant firms namely Wood Mackenzie (WoodMac) and Norwegian Rystad Energy and energy analyst Energy Aspects Ltd., demand for petroleum in the PRC during the first half of 2024 is expected to grow by 3.7%, 4.0% and 4.4% over the corresponding period in 2023 respectively, with the volume of growth ranging from 578,000 to 700,000 barrels per day, while the total volume in demand is estimated to be around 16,200,000 barrels to 16,820,000 barrels per day.

The Board believes that this will be a good opportunity for the Group to develop the crude oil trading business to further expand and diversify the business activities of the Group, thereby broadening the revenue stream of the Group and is in the interests of the Company and the Shareholders as a whole.

The Group will conduct the new business activities in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and make further announcement(s) on its latest business development as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board  
**CHINA NEW CONSUMPTION GROUP LIMITED**  
**Liu Ching Man**  
*Executive Director*

Hong Kong, 25 January 2024

*As at the date of this announcement, the Board comprises Ms. Liu Ching Man as executive Director; and Mr. He Dingding, Ms. Chan Tsz Hei Sammi and Mr. Ng Kim Lung as independent non-executive Directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 herein or this announcement misleading*

*This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.irasia.com/listco/hk/chinanewcons](http://www.irasia.com/listco/hk/chinanewcons).*