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China Tianying Inc.

Announcement on the Execution of a 100MWh Gravity Energy Storage Project Cooperation Agreement with Yining County People's Government

The Company and its entire board of directors guarantee the authenticity, accuracy, and completeness of the contents of this Announcement, with no false records, misleading statements, or significant omissions.

Special Note:

1. This Agreement shall come into effect after being signed by the legal representatives or authorized representatives of both Parties and sealed with their respective company stamps.

2. Significant risks and uncertainties related to this Agreement: During the fulfillment hereof, this Agreement may face various risks including policy risks, market risks, management risks, operational risks, and industry competition. The Company shall control and mitigate such risks with different strategies and measures, continuously improve its corporate governance structure, establish and perfect internal control processes and an effective supervision mechanism, optimize the overall resource allocation, and strive to achieve a good investment return. Investors are kindly requested to pay attention to the investment risks.

3. The execution of this Agreement shall not have a significant impact on the Company's operational performance for the year 2023. The successful fulfillment of this Agreement shall be in line with the Company's strategic development planning. The future development, construction, and operation of the projects involved in the Agreement are expected to provide the Company with stable cash flow and profit growth, enhance the Company's comprehensive competitiveness, and contribute to its sustainable development.

I. Overview of Agreement Execution

In order to implement China's dual carbon goals and to fully leverage the cooperative advantages of both Parties, as well as to promote the comprehensive development and utilization of new energy resources in Yining, Jiangsu Nengying New Energy Technology Development Co., Ltd. (hereinafter referred to as "Jiangsu Nengying" or "Party B"), a wholly-owned subsidiary of China Tianying Inc. (hereinafter referred to as the "Company"), has recently signed the "100MWh Gravity Energy Storage Project Cooperation Agreement" (hereinafter referred to as the

"Agreement" or this "Agreement") with the People's Government of Yining County, Xinjiang (hereinafter referred to as "Party A"), with a shared commitment to mutual development and a win-win cooperation.

This Agreement as the Company's regular business contract, shall not constitute a related party transaction, nor constitute a significant asset

reorganization as defined by the *Measures for the Administration of Major Asset Restructurings of Listed Companies*. The execution of this Agreement does not require the submission for review or approval by the Company's Board of Directors or the General Assembly of Shareholders.

II. Basic Information of the Counterparty to the Agreement

1. Name: Yining County People's Government

Main business: Government agency, without a principal business.

Address: No. 16, Jili Yuzi Street, Yining County, Xinjiang

2. Relationship Disclosure: There is no related party relationship between the Company and its wholly-owned subsidiary Jiangsu Nengyin with Yining County People's Government.

3. Similar Transactions: In the past three years, the Company and its wholly-owned subsidiary Jiangsu Nengyin have not engaged in similar transactions with Yining County People's Government.

4. Analysis on Capability of Agreement Fulfillment: Yining County People's Government is a government agency with strong fulfillment capabilities.

III. Principal Contents of the Agreement

Party A: Yining County People's Government

Party B: Jiangsu Nengyin New Energy Technology Development Co., Ltd.

1. Project Overview

(1) Project Name: CNTY 100MWh Gravity Energy Storage Project

(2) Investment Entity: Jiangsu Nengyin New Energy Technology Development Co., Ltd.

(3) Project Location: Yining County urban area, covering approximately 60 acres (the specific location and size to be determined according to the actual transfer situation)

(4) Construction Content: The 100MWh gravity energy storage project will use self-built gravity energy storage at elevated height, including the energy storage system, power generation system, transmission system, control system, booster station, and other ancillary facilities.

2. Due to the large investment and long cycle of this project, and in order to facilitate the investment in the project, Party A shall provide, in accordance with local conditions and laws and regulations, 350MW of wind + 150MW of photovoltaic new energy generation grid connection quota to Party B. Party A shall assist Party B in handling land and power grid connection, as well as other related procedures, in accordance with the law and regulations.

3. Dispute Resolution

In the event of a dispute arising during the fulfillment of this Agreement, both Parties shall attempt to resolve such dispute through amicable negotiation. If negotiation fails, both Parties agree to submit the dispute to Beijing Arbitration Commission for arbitration in accordance with its arbitration rules. The costs incurred from the said dispute, including litigation fees, attorneys' fees, guarantee fees, appraisal fees, expert fees, auditing fees, etc., shall be borne by the defaulting Party or the losing Party. Neither party shall take any measures that may hinder the normal fulfillment of the non-controversial contents of this Agreement until the dispute or controversy is finally resolved.

4. This Agreement shall become effective upon signature by the legal representative or authorized representative of both Parties with their respective company seals.

IV. The Impact of the Agreement on the Listed Company

1. In recent years, Yining County has prioritized the development of new energy as a key investment attraction industry, accelerating the development of green power, clean and low-carbon, ecological and environmental protection, and transforming the county's industrial power consumption structure into a new energy+ industry-based green circular economy. The 100MWh gravity energy storage project that the Company invests in and constructs in Yining County will fully utilize the abundant wind and solar resources in Yining and take advantage of the world-leading gravity energy storage technology. Based on wind and solar power generation, the project will support the green transformation and upgrading of Yining's industries. As the first gravity energy storage project to be implemented in Xinjiang, the Company will seize this opportunity to intensify its efforts to develop the energy storage market in the Xinjiang region, promote the construction of a new energy industrial development ecosystem, and continue to expand the application scenarios and potential markets for gravity energy storage technology. The signing of this agreement aligns with the company's "environmental protection + new energy" dual-engine-driven strategy and will have a positive effect on the development of the company's new energy business and the enhancement of its operational performance over a long period in the future.

2. The execution and fulfillment of this Agreement shall not affect the independence of the Company's business operations, and the Company's principal business shall not rely on the counterparty due to this Agreement.

V. Risk Warning

In the fulfillment of this Agreement, the Company may face various risks such as policy risks, market risks, management risks, operational risks, and industry competition. The Company shall control and mitigate these risks with different strategies and measures, continuously improve its corporate governance structure, establish and perfect internal control processes, and an effective supervision mechanism, and optimize the overall resource allocation in order to strive for a good investment return. Investors are kindly requested to pay attention to the investment risks.

VI. Reference Documents

It is hereby announced that the *100MWh Gravity Energy Storage Project Cooperation Agreement*. In witness whereof.

Board of Directors of China Tianying Inc.

October 26, 2023

