

China New Energy Group Company. (OTC:CNER)  
Includes Thrive Testing and Biosafety Inc.



Supplemental Information:

Change in Shell Status March 15, 2023

THRIVE  
BIOSAFETY

Guy Zajonc  
Chairman and CEO

## Change in Shell Status

Effective as of March 15, 2023, the China New Energy Group, Company. ("CNER") is no longer a "Shell". The company now has material assets and material operations. The company is approaching 10 employees as the core operational team and has two offices (Spokane and Hawaii) as well as cloud based operating infrastructure. CNER has changed its status from "shell" to "non-shell". On March 15, 2023, CNER announced the acquisition of Thrive Testing and Biosafety Inc. ("Thrive" or the "Company") of Spokane, Washington. The new business is delivery of a global biodefense system for early warning detection of bacterial and virus pathogens on surfaces, in the air, in water, and in humans (subject to FDA and other regulatory approvals).

The Company, unlike consumer and retail products is a critical business for national economic and political consideration. The Company is supporting the core technology partner Qanik DX in its efforts to obtain an Emergency Use Authorization with the FDA in order to ready the nation for the next potential pandemic.

As examples of surface detection, the commercial business will focus on delivering advanced photonics-based technology for results in real-time in hospitals, airports, train stations, and any location where bacteria and viruses may threaten humans and animals. The Company has executed an exclusive license agreement for the Western USA, which includes California, Oregon, Washington, North Dakota, South Dakota, Idaho, and Hawaii) using advanced quantum biosensing technology developed by Qanik DX Inc. in Canada and Estonia. The Company has also made a USD\$225,000 equity investment in the core technology company, Qanik DX Inc. This equity investment has secured the exclusive right to the territory. The core technology for bacteria pathogen detection is currently in use by the FBI (food security), E.U. Military (BioDefense), and DEA (drug detection) and has received €350,000 in matching grant money from the E.U. government to develop a low-cost portable laboratory for virus surface detection using the patented quantum biosensor technology.

This rapid, accurate, and decentralized form of detection has built-in connectivity to allow integration into the existing and future tracking and tracing platforms. Thrive is currently developing working relationships with wholesale and retail providers of detection and testing to improve and enhance the services they offer.

17 CFR § 240.12b-2 - Definitions.

§ 240.12b-2 Definitions.

*Shell company*: The term *shell company* means registrant, other than an asset-backed issuer as defined in Item 1101(b) of Regulation AB (§229.1101(b) of this chapter), that has:

- (1) No or nominal operations; and
- (2) Either:
  - (i) No or nominal assets;
  - (ii) Assets consisting solely of cash and cash equivalents; or
  - (iii) Assets consisting of any amount of cash and cash equivalents and nominal other assets.

With respect to the 12b-2 definitions of "shell company", item (1) above, the Company currently has the following ongoing operations. Thrive is registered with the U.S. federal government's System for Award Management ("SAM"). In that capacity, Thrive helped facilitate the first placement of biosafety testing equipment with the Federal Bureau of Investigation ("FBI"). Tests of that equipment are being conducted at the FBI's Redstone Laboratories. Thrive is the contact point for any future needs of the Agency.

Thrive's corporate President and several Thrive investors are in the state of Hawaii. The Company is actively engaged in a number of opportunities in Hawaii.

1. Thrive works with a retail testing company that offers location-based and mobile testing services. This Company will be among the first to offer our proprietary products and services. Thrive is evaluating the potential for the acquisition of this Hawaiian operator.
2. The Company has targeted an existing company and product developed under a U.S. Navy grant by a research scientist at the University of Hawaii. The terms of the funding require commercialization. The product is currently in the marketplace with revenue. With the completion of the CNER Thrive transaction, the Company can proceed to negotiate the initial Letter of Intent to make this acquisition.
3. The University of Hawaii's John A. Burns School of Medicine has a Biosafety Level 3 Laboratory ("BSL-3") suitable for conducting some of the trials the Company needs to move from surface testing to human testing. The Company has been in talks with the University's Director of Innovation for their participation and the possibility of applying for grants to support that work.

Other operational activities include building relationships for the rollout:

1. Extensive testing is still ongoing in the television and film industry. The Company is in negotiations with a technology contractor in Los Angeles that does approximately \$600 million in entertainment-based support annually. They are interested in adding our detection technology to the services they offer.
2. Thrive has also in negotiations with a Seattle-based cruise line for the ongoing needs of that industry to maintain the health of all passengers and crew.
3. A BARDA accelerator contacted Thrive, and the Company has provided the due diligence information requested to allow them to investigate government programs to support the commercialization of the technology. BARDA is defined as the **Biomedical Advanced Research and Development Authority (BARDA)** within the [U.S. Department of Health and Human Services](#) (HHS) office responsible for the procurement and development of [medical countermeasures](#), principally against [bioterrorism](#), including [chemical, biological, radiological and nuclear \(CBRN\) threats](#), as well as pandemic influenza and emerging diseases.
4. The quantum biosensor technology for pathogen detection in saliva has been reviewed by the FDA under the pre-Emergency Use Authorization with comprehensive commentary on testing protocols to receive a full EUA approval. With the Novel nature of the technology, more rigorous testing will be required than was required with PCR and Antigen tests since this

technology has been in existence for over 20 years. The Licensor, Qanik X (a subsidiary of Qanik DX), has engaged with multiple test sites in Europe, Canada, USA and North Africa to facilitate a comprehensive test protocol.

5. Further development is underway to develop multiplex reader to test for multiple pathogens in a single saliva sample, such as RSV, Influenza A and B, Rhinovirus, MERS and SARS. It is anticipated that specialized pathogen testing will be regional based on viral and bacterial prevalence requiring early warning detection.

With respect to the 12b-2 definitions of "shell company", item (2) above, the Company currently has assets that are not "nominal", do not consist "solely of cash and cash equivalents", and are not represented by "assets that consist of any amount of cash and cash equivalents and nominal other assets." Thrive assets primarily consists of an ownership position in patent intellectual property and an exclusive license to commercialize the technology in a territory with the option to grow that territory larger.

Given that Thrive is operating and has assets other than those contained in the definition of "shell company" in the Federal Code of Regulations as stated above, the Company is no longer a "shell company."

## **CERTIFICATION**

I, Guy M. Zajonc, by my signature below, hereby certify the following:

1. I have reviewed this Supplemental Information Disclosure Statement of China New Energy Group Company who as acquired Thrive Testing and Biosafety, Inc.
2. Based on my knowledge, information, and belief, this Supplemental Information Disclosure Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in light of the circumstances under which such statements were made, not misleading with respect to the information covered by this Supplemental Information Disclosure Statement.
3. Based on my knowledge, the financial information included or incorporated by reference in this Supplemental Information Disclosure Statement fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this Supplemental Disclosure Statement.



By: Guy M. Zajonc - CEO

Date: March 15, 2023