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Century Energy International Holdings Limited

百能國際能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8132)

VOLUNTARY ANNOUNCEMENT FORMATION OF JOINT VENTURE COMPANY

This announcement is made by Century Energy International Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) on a voluntary basis.

FORMATION OF JOINT VENTURE COMPANY

The Board is pleased to announce that on 21 May 2023 (after trading hours), Baineng Guoheng (Beijing) Energy Company Limited* (百能國恒(北京)能源有限公司), a subsidiary of the Company, and Haiyetong Energy Technology (Shanghai) Company Limited* (海液通能源科技(上海)有限公司), entered into the Joint Venture Agreement pursuant to which Baineng Guoheng and Haiyetong agreed to establish the Joint Venture Company in Yangpu Economic Development Zone, Hainan Province, the PRC to develop the LNG tank trading business and explore the LNG logistics channel from the PRC to Vietnam.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB5,000,000 (equivalent to HK\$5,400,000). Baineng Guoheng will contribute RMB2,000,000 (equivalent to HK\$2,160,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 40% by Baineng Guoheng and 60% by Haiyetong and will not be consolidated into the financial statements of the Group, but shall be accounted for as equity investments in the consolidated financial statements of the Group upon its establishment.

GEM LISTING RULES IMPLICATION

The Joint Venture Company, upon its establishment, will not be consolidated into the financial statements of the Group, but shall be accounted for as equity investments in the consolidated financial statements of the Group upon its establishment.

As the applicable percentage ratios in respect of the capital contribution to the Joint Venture Company by the Group are less than 5% under Rule 19.07 of the GEM Listing Rules, the transactions contemplated under the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules and this announcement is made voluntarily.

INTRODUCTION

The Board is pleased to announce that on 21 May 2023 (after trading hours), Baineng Guoheng and Haiyetong entered into the Joint Venture Agreement pursuant to which Baineng Guoheng and Haiyetong agreed to establish the Joint Venture Company in Yangpu Economic Development Zone, Hainan Province, the PRC to develop the LNG tank trading business and explore the LNG logistics channel from the PRC to Vietnam.

Summarised below are the principal terms of the Joint Venture Agreement:

THE JOINT VENTURE AGREEMENT

Date: 21 May 2023

Parties: (1) Baineng Guoheng; and
(2) Haiyetong.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Haiyetong and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter

The Joint Venture Company will be a limited liability company to be established in accordance with the laws of the PRC and the provisions of the Joint Venture Agreement.

The proposed name of the Joint Venture Company is Hainan Baineng Haiyetong Energy Logistics Company Limited* (海南百能海液通能源物流有限公司).

Principal business of the Joint Venture Company

The Joint Venture Company shall focus on developing the LNG tank trading business and exploring the LNG logistics channel from the PRC to Vietnam.

Capital contribution

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB5,000,000 (equivalent to approximately HK\$5,400,000). Baineng Guoheng will contribute RMB2,000,000 (equivalent to approximately HK\$2,160,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 40% by Baineng Guoheng and 60% by

Haiyetong and will not be consolidated into the financial statements of the Group, but shall be accounted for as equity investments in the consolidated financial statements of the Group upon its establishment.

The shareholding structure of the Joint Venture Company are set out as follows upon its establishment:

Shareholder	Capital contribution <i>(RMB)</i>	Shareholding percentage <i>(%)</i>
Haiyetong	3,000,000	60
Baineng Guoheng	<u>2,000,000</u>	<u>40</u>
Total	<u><u>5,000,000</u></u>	<u><u>100</u></u>

Each of Baineng Guoheng and Haiyetong shall make their respective capital contribution of RMB1 million in cash within one month from the date of the Joint Venture Company completing the necessary registration.

The amount of capital contribution was determined after arm's length negotiations between the parties having taken into account the estimated initial working capital required for the operation of the Joint Venture Company.

The Group intends to finance its capital contribution in the Joint Venture Company from its internal resources.

Right of first refusal

Each of Baineng Guoheng and Haiyetong may transfer all or part of their equity interests in the Joint Venture Company to each other.

In the event that one party is desirous of transferring all or part of its equity interests in the Joint Venture Company to any third party, the selling shareholder shall provide a transfer notice to the non-selling shareholder stating, among others, the number of shares intended to be transferred, price and conditions. The non-selling shareholder shall have a right of first refusal to purchase the equity interests held by the selling shareholder on the same terms and conditions.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in (i) power and data cords business; (ii) trading of refined oil and chemicals business; and (iii) trading of commodities mainly in the United States of America and the PRC markets.

Baineng Guoheng is a limited liability company established in the PRC and a subsidiary of the Company principally engaged in energy investment.

Haiyetong

Haiyetong is a limited liability company established in the PRC. It is principally engaged in ocean freight business. As at the date of this announcement, the ultimate beneficial owner(s) of Haiyetong are Ye Zi* (葉梓).

REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

As stated in the interim report of the Company for the six months ended 30 September 2022, the Group seized the opportunity of the national carbon neutrality and carbon peak initiatives based on the clean energy industry chain. By proactively promoting the clean energy trading business, actively connecting upstream natural gas resources and developing downstream customer markets, the Group will match the supply and demand for clean energy and provide upstream units with downstream customers with stable business and continuous gas consumption; provide downstream customers with natural gas products with strong gas supply guarantee capability and cost competitiveness, so as to achieve the natural gas trading business and obtain trading profits.

The Group's natural gas trading business mainly includes pipeline natural gas and LNG with the focus on domestic trading, and will actively carry out international business as and when appropriate. The Group considered forming strategic alliance with corporations of different expertise and/or market coverage in the energy sector would enable it to access to greater technological and financial resources and distribution networks.

As disclosed above, Haiyetong is principally engaged in ocean freight business. By leveraging on the financial resources and the expertise of Haiyetong, the Group seeks to develop the trading of natural gas/LNG business through the Joint Venture Company from the PRC to Vietnam.

After considering the above, the Group believes that the strategic cooperation with Haiyetong and the establishment of the Joint Venture Company complements the business strategies of the Group in expanding its geographical coverage and distribution network of its natural gas trading business.

The terms of the Joint Venture Agreement were negotiated after arm's length negotiations. The Directors are of the view that the terms of the Joint Venture Agreement (including but not limited to the capital contribution) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

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As the applicable percentage ratios in respect of the capital contribution to the Joint Venture Company by the Group are less than 5% under Rule 19.07 of the GEM Listing Rules, the transactions contemplated under the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules and this announcement is made voluntarily.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Baineng Guoheng”	Baineng Guoheng (Beijing) Energy Company Limited* (百能國恒(北京)能源有限公司), a subsidiary of the Company
“Board”	the board of Directors
“Company”	Century Energy International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8132)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Haiyetong”	Haiyetong Energy Technology (Shanghai) Company Limited* (海液通能源科技(上海)有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the agreement dated 21 May 2023 entered into between Baineng Guoheng and Haiyetong in relation to the formation of the Joint Venture Company
“Joint Venture Company”	the joint venture company to be established pursuant to the terms of the Joint Venture Agreement
“LNG”	liquefied natural gas
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

This announcement contains translation between RMB and HK\$ amounts at RMB1.00 = HK\$1.08. The translation should not be taken as a representation that RMB could actually be converted into HK\$ at that rate or at all.

By order of the Board
Century Energy International Holdings Limited
Leung Wing Cheong Eric
Chairman

Hong Kong, 20 June 2023

* *For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Cheung Yip Sang, Mr. Sun Jiusheng, Mr. Ma Shenyan, Mr. Li Dewen and Mr. Yeung Shing Wai; the non-executive Director is Mr. Leung Wing Cheong Eric; and the independent non-executive Directors are Mr. Lim Haw Kuang, Mr. Lui Ho Ming Paul and Mr. Chu Kin Ming.

This announcement, for which the Directors 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, 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.chinaoilgangrants.com.