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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**”, together with its subsidiaries as the “**Group**”) on a voluntary basis.

FORMATION OF JOINT VENTURE COMPANY

The Board is pleased to announce that on 22 April 2024 (after trading hours), Baineng Guohua, a wholly owned subsidiary of the Company, and Shaoguan Guorun entered into the Joint Venture Agreement pursuant to which Baineng Guohua and Shaoguan Guorun agreed to establish the Joint Venture Company in Shaoguan to develop the solar distributed photovoltaic power station business in the PRC.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB3,000,000 (equivalent to approximately HK\$3,300,000). Baineng Guohua will contribute RMB1,530,000 (equivalent to approximately HK\$1,700,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 51% by Baineng Guohua and will be consolidated into the financial statements of the Company upon its establishment.

GEM LISTING RULES IMPLICATIONS

The Joint Venture Company, upon its establishment, will be consolidated in the financial statements of the Company and become a subsidiary of the Company.

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 transaction 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 22 April 2024 (after trading hours), Baineng Guohua, a wholly owned subsidiary of the Company, and Shaoguan Guorun, entered into the Joint Venture Agreement pursuant to which Baineng Guohua and Shaoguan Guorun agreed to establish the Joint Venture Company in Shaoguan to develop the solar distributed photovoltaic power station business in the PRC.

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

THE JOINT VENTURE AGREEMENT

- Date:** 22 April 2024
- Parties:** (1) Baineng Guohua; and
(2) Shaoguan Guorun

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Shaoguan Guorun and its ultimate beneficial owner 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 韶關市國榮新能源科技有限公司 (Shaoguan Guorong New Energy Technology Co., Limited.*).

Principal business of the Joint Venture Company

The Joint Venture Company shall focus on sales of electricity. In the initial stage, it is planned to give priority to investing in a 5.99 megawatt (“MW”) fishery-solar complementary ground distributed photovoltaic project located in Longgui Town, Shaoguan City. The project type is fishery and photovoltaic complementation, occupying an area of about 100 acres of fishing ponds. After the construction is completed, all the power generated will be consumed in a “full grid” manner.

Capital Contribution

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB3,000,000 (equivalent to approximately HK\$3,300,000). Baineng Guohua will contribute RMB1,530,000 (equivalent to approximately HK\$1,700,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 51% by Baineng Guohua and will be consolidated into the financial statements of the Company upon its establishment. The shareholding structure of the Joint Venture Company are set out as follows upon its establishment:

Shareholder	Capital Contribution (RMB)	Shareholding percentage (%)
Baineng Guohua	1,530,000	51
Shaoguan Guorun	<u>1,470,000</u>	<u>49</u>
Total	<u><u>3,000,000</u></u>	<u><u>100</u></u>

Each of Baineng Guohua and Shaoguan Guorun shall make their respective capital contribution in cash on or before 15 March 2029.

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.

Rights of First Refusal

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

In the event 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 obtain consent from the majority of the non-selling shareholder(s) and the non-selling shareholder(s) not agreeing to the transfer to third party shall purchase the equity interests held by the selling shareholder.

Each 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) trading of refined oil and chemicals business; and (ii) power and data cords business.

Baineng Guohua is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in the power generation business; power transmission business; power supply business; gas operation; solar power generation technical services; emerging energy technology research and development; etc.

Shaoguan Guorun

Shaoguan Guorun is a limited liability company established in the PRC. It is principally engaged in research and development of emerging energy technologies; power generation technology services; solar power generation technology services; foreign contracting projects; energy storage technology services; solar thermal utilization equipment sales; etc. As at the date of this announcement, the ultimate beneficial owner of Shaoguan Guorun is Wang Wuwei (76%) and Zhang Ping (24%).

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 2023, the Group's corporate mission is to "Benefit People's Livelihood with Clean Energy and Technology and Innovation". We focus on the development of clean energy industrial chain and sensitively utilise the R&D results of frontier technology in order to explore and advance industrialisation in energy technology and to connect and integrate with quality projects and resources in PRC and overseas, through which the Group could create massive synergy between capital, technology, business and operational management. Therefore, the Group will strive to establish its core competitiveness in the fields of new energy materials, energy saving and environmental protection and digital technologies for energy safety, and develop into a technological energy corporation with prominent influence and reputation within the industry. The Group shall continue to seek further opportunities to further develop the energy business by way of investment in or acquisition of companies currently engaging in the energy business or submitting tenders or quotations for energy projects. The Directors believe that such strategy will enable the Group to capitalise on its experience and strengthen its position in its energy business to achieve a sustainable growth and maximize returns to the shareholders of the Company.

Entering into the solar distributed photovoltaic ("PV") power station business in PRC can be driven by several reasons and offers various benefits.

1. **Renewable Energy Development:** PRC has been actively promoting the development of renewable energy, including solar power, to reduce its reliance on fossil fuels and combat air pollution. The government has set ambitious targets to increase the share of renewable energy in its energy mix, creating a favorable environment for solar PV power station businesses.

2. **Favorable Government Policies:** The Chinese government has implemented supportive policies and incentives to encourage the growth of the solar industry. These policies include feed-in tariffs, subsidies, tax benefits, and favorable grid connection regulations for solar power projects. Such support helps reduce the financial burden and increase the profitability of solar power station businesses.
3. **Growing Energy Demand:** PRC's energy demand continues to rise due to rapid industrialization, urbanization, and an expanding middle class. Solar PV power stations can help meet this increasing demand and contribute to the diversification of PRC's energy sources.
4. **Environmental Benefits:** Solar energy is a clean and renewable energy source, generating electricity without greenhouse gas emissions or air pollutants. Investing in solar PV power stations aligns with PRC's commitment to combat climate change and improve environmental sustainability.
5. **Potential Market Size:** PRC has one of the world's largest solar power markets, with significant growth potential. PRC had already become the world's largest producer and installer of solar PV systems. The government's commitment to renewable energy and the country's vast land availability create a substantial market for solar distributed PV power stations.
6. **Revenue Generation:** Operating solar distributed PV power stations can provide a stable revenue stream through electricity sales. In addition, if the power station produces excess electricity, it may be possible to sell it back to the grid, further increasing revenue potential.
7. **Technological Advancements:** PRC has been investing heavily in solar technology research and development, leading to advancements in solar panel efficiency, energy storage systems, and smart grid integration. This creates opportunities for businesses to leverage these advancements and benefit from improved performance and cost-effectiveness.

According to the China's National Energy Administration, PV installations surged in January and February 2024 to 36.72 gigawatts ("GW"), up 80% year on year. China's cumulative solar capacity reached 646.2 GW at the end of February 2024. The nation added 216.88 GW of new PV capacity in 2023, up 148.12% from 2022. In 2022, the country added 87.41 GW of solar. Various energy modelling predicts China's PV capacity will cross the 1 Terawatt mark by the end of 2026.

Shaoguan Guorun is indirectly wholly owned by Guoshun Technology. It was founded in 2017 and has formed four major business segments: photovoltaic, wind power, hydropower, energy storage, natural gas, hydrogen and other comprehensive smart energy investment, development and supply segment; smart agriculture segment; smart city segment; and artificial intelligence segment. Since its establishment, it has been based in Hebei and has spread across the country. It has established provincial companies in Hebei, Shaanxi, Guangxi, Guangdong, Henan and other places. According to our understanding, Guoshun Technology has made numerous investment in photovoltaic and wind power projects since its establishment.

After considering the above, the Group believes that the strategic cooperation with Shaoguan Guorun and the establishment of the Joint Venture Company complements the business strategies of the Group in the development of the Group into an technological energy corporation with prominent influence and reputation within the industry.

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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DEFINITIONS

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

“Baineng Guohua”	Baineng Guohua (Beijing) New Energy Co., Limited* (百能國華(北京)新能源有限公司), a limited liability company incorporated in the PRC and a wholly owned 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
“Shaoguan Guorun”	Shaoguan Guorun New Energy Technology Co., Limited* (韶關市國潤新能源科技有限公司), a limited liability company incorporated in the PRC
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Guoshun Technology”	Guoshun Technology Group Co., Limited* (國順科技集團有限公司), a limited liability company incorporated in the PRC and the ultimate beneficial owner of is Wang Wuwei (76%) and Zhang Ping (24%)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the agreement dated 22 April 2024 entered into between Baineng Guohua and Shaoguan Guorun 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
“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
“Shareholders”	the holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

This announcement contains translation between RMB and Hong Kong dollar amounts at RMB1.00 = HK\$1.0938, being the exchange rate prevailing on 22 April 2024. The translation should not be taken as a representation that the RMB could actually be converted into Hong Kong dollars at that rate or at all.

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

Hong Kong, 22 April 2024

As at the date of this announcement, the executive Directors are Mr. Cheung Yip Sang, Mr. Sun Jiusheng, Mr. Ma Shenyuan, 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.8132century.com.

* For identification purposes only