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Century Energy International Holdings Limited

百能國際能源控股有限公司

(formerly known as China Oil Gangran Energy Group Holdings Limited

中油港燃能源集團控股有限公司)

(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 November 2022 (after trading hours), Baineng Tianjin, a wholly owned subsidiary of the Company, and Dongguan Daosheng entered into the Joint Venture Agreement pursuant to which Baineng Tianjin and Dongguan Daosheng agreed to establish the Joint Venture Company in Shenzhen for a term of 30 years to develop the trading of natural gas/LNG business in the PRC.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB10,000,000 (equivalent to approximately HK\$10,900,000). Baineng Tianjin will contribute RMB6,500,000 (equivalent to approximately HK\$7,085,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 65% by Baineng Tianjin 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 November 2022 (after trading hours), Baineng Tianjin, a wholly owned subsidiary of the Company, and Dongguan Daosheng, entered into the Joint Venture Agreement pursuant to which Baineng Tianjin and Dongguan Daosheng agreed to establish the Joint Venture Company in Shenzhen for a term of 30 years to develop the trading of natural gas/LNG in the PRC.

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

THE JOINT VENTURE AGREEMENT

- Date:** 22 November 2022
- Parties:** (1) Baineng Tianjin; and
(2) Dongguan Daosheng.
- Duration:** 30 years

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Dongguan Daosheng 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 廣東道生能源貿易有限公司 (Guangdong Daosheng Energy Trading Co., Limited.*).

Principal business of the Joint Venture Company

The Joint Venture Company shall focus on sales of natural gas/LNG.

Capital Contribution

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB10,000,000 (equivalent to approximately HK\$10,900,000). Baineng Tianjin will contribute RMB6,500,000 (equivalent to approximately HK\$7,085,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 65% by Baineng Tianjin 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 Tianjin	6,500,000	65
Dongguan Daosheng	<u>3,500,000</u>	<u>35</u>
Total	<u><u>10,000,000</u></u>	<u><u>100</u></u>

Each of Baineng Tianjin and Dongguan Daosheng shall make their respective capital contribution in cash within 30 Business Days from the date of issuance of the business licence of the Joint Venture Company.

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 Tianjin and Dongguan Daosheng 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 Tianjin is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in the (i) trading of refined oils and sale of LNG; (ii) wholesale of refined oils; (iii) sales of petroleum products; (iv) sales of chemical products; and (v) sales of lubricant oils in the PRC.

Dongguan Daosheng

Dongguan Daosheng is a limited liability company established in the PRC. It is principally engaged in (i) investment in gas stations for vehicles and ships; (ii) natural gas stations and urban gas projects; (iii) sales of equipment of natural gas; and (iv) sale and import and export of LNG and natural gas. As at the date of this announcement, the ultimate beneficial owner of Dongguan Daosheng is State-owned Assets Supervision and Administration Commission of the Dongguan People's Government (東莞市人民政府國有資產監督管理委員會).

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, Dongguan Daosheng is principally engaged in the (i) investment in gas stations for vehicles and ships; (ii) natural gas stations and urban gas projects; (iii) sales of equipment of natural gas; and (iv) sale and import and export of LNG and natural gas. In addition, Dongguan Daosheng is a wholly owned subsidiary of State-owned Assets Supervision and Administration Commission of the Dongguan People's Government (東莞市人民政府國有資產監督管理委員會) with paid up capital of RMB200 million. By leveraging on the financial resources and the expertise of Dongguan Daosheng, the Group seeks to develop the trading of natural gas/LNG business through the Joint Venture Company in the southern part of the PRC.

After considering the above, the Group believes that the strategic cooperation with Dongguan Daosheng 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

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.

DEFINITIONS

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

“Baineng Tianjin”	Baineng (Tianjin) Energy Trading Co., Limited* (百能(天津)能源貿易有限公司), a limited liability company incorporated in the PRC and a wholly owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday) on which commercial banks are open for business in the PRC
“Company”	Century Energy International Holdings Limited (formerly known as China Oil Gangran Energy Group 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
“Dongguan Daosheng”	Dongguan Daosheng Natural Gas Co., Limited* (東莞市道生天然氣有限公司), 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
“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 November 2022 entered into between Baineng Tianjin and Dongguan Daosheng 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
“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\$1.09, being the exchange rate prevailing on 22 November 2022. 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 November 2022

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.chinaoilgangrans.com.

* *For identification purposes only*