

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE COMPANY**

#### **FORMATION OF JOINT VENTURE COMPANY**

The Board is pleased to announce that on 22 June 2022 (after trading hours), Baineng Energy Shenzhen, a wholly owned subsidiary of the Company, and the Joint Venture Partner entered into the Joint Venture Agreement pursuant to which Baineng Energy Shenzhen and the Joint Venture Partner agreed to establish the Joint Venture Company to conduct the research and development, production and sales of aerogel products in the PRC.

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB25,000,000 (equivalent to approximately HK\$29,250,000). Baineng Energy Shenzhen will contribute RMB15,000,000 (equivalent to approximately HK\$17,550,000) in cash towards the registered capital of the Joint Venture Company. The Joint Venture Company will be owned as to 60% by Baineng Energy Shenzhen and will be consolidated in 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 one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Company's investment in the Joint Venture Company exceeds 5% but are less than 25%, the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 22 June 2022 (after trading hours), Baineng Energy Shenzhen, a wholly owned subsidiary of the Company and the Joint Venture Partner, entered into the Joint Venture Agreement pursuant to which Baineng Energy Shenzhen and the Joint Venture Partner agreed to establish the Joint Venture Company to conduct the research and development, production and sales of aerogel products in the PRC.

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

## **THE AGREEMENT**

**Date:** 22 June 2022

**Parties:** (1) Baineng Energy Shenzhen, a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company; and  
(2) Joint Venture Partner, a limited partnership established in the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Joint Venture Partner and its respective 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 Baineng (Tianjin) New Materials Company Limited\* 百能(天津)新材料有限公司.

### **Business scope of the Joint Venture Company**

The Joint Venture Company shall focus on conduct the research and development, production and sales of aerogel products in the PRC.

### **Capital Contribution**

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be RMB25,000,000 (equivalent to approximately HK\$29,250,000). Baineng Energy Shenzhen and the Joint Venture Partner will contribute RMB15,000,000 (equivalent to approximately HK\$17,550,000) and RMB10,000,000 (equivalent to approximately HK\$11,700,000) in cash towards the registered capital of the Joint Venture Company, respectively. The Joint Venture Company will be owned as to 60% by Baineng Energy Shenzhen 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:

<b>Shareholder</b>	<b>Capital Contribution (RMB)</b>	<b>Shareholding percentage</b>
Baineng Energy Shenzhen	15,000,000	60%
Joint Venture Partner	<u>10,000,000</u>	<u>40%</u>
<b>Total</b>	<b><u>25,000,000</u></b>	<b><u>100%</u></b>

Each of Baineng Energy Shenzhen and the Joint Venture Partner shall make their respective capital contribution in cash on or before 30 June 2025. If either party fails to make the capital contribution within the stipulated time, the defaulting party shall pay 0.05% of the capital contribution to the other party for each day overdue as liquidated damages.

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 for three years.

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

### **Rights of First Refusal**

In the event any shareholder of the Joint Venture Company proposes to transfer part or all of the equity interests in the Joint Venture Company to other shareholders of the Joint Venture Company, the consent of all other shareholders shall be obtained. In addition, the non-selling shareholders will have a right of first refusal on the same terms and conditions. Any transfer not conducted in accordance with the terms of the Joint Venture Agreement shall be void.

In addition, the transfer of any equity interest in the Joint Venture Company to any party which is not an existing shareholder of the Joint Venture Company by any shareholder of the Joint Venture Company shall be subject to the approval by majority of the non-selling shareholders of the Joint Venture Company.

## **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.

Baineng Energy Shenzhen is a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in technology development, commercialisation of technological products and other businesses in the energy sector.

## **The Joint Venture Partner**

The Joint Venture Partner, Tianjin Zhongzhi Xinshi Entrepreneurial Service Partnership Enterprise (Limited Partnership)\* 天津眾智信實創業服務合夥企業(有限合夥), is a limited partnership established in the PRC. The Joint Venture Partner is an investment holding vehicle formed by the core technical team and marketing team of aerogel products who previously worked in the Chinese Academy of Sciences. As at the date of this announcement, the ultimate beneficial owner of the Joint Venture Partner is Mr. Lv Zhihui, who is the ultimate beneficial owner of the general partner of the Joint Venture Partner.

## **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 2021 and the announcement of the Company dated 10 October 2021, the Company continued to explore opportunities in the clean energy segment as well as business opportunities in relation to the development and operation in liquefied natural gas import and trading business domestically and internationally in order to conform to the initiatives of the PRC to realise carbon peak in 2030 and carbon neutrality by 2060 and to develop in the fields of new energy materials, energy saving and environmental protection and digital technologies for energy safety.

Aerogel is a nanostructured material with a porous solid network filled with a gaseous dispersion medium in the pores. Due to its unique structure, aerogel products exhibit excellent performance in a variety of fields such as thermal, acoustic, optical, electrical and mechanical, etc. The current commercial applications of aerogel products are mainly developed based on the its highly efficient thermal insulation performance, with a temperature range of  $-200^{\circ}\text{C}\sim 650^{\circ}\text{C}$ , which can be applied in the fields of energy and chemical industry, heat pipe network, steel metallurgy, lithium battery, construction and building materials, aerospace and military industry.

Compared to traditional materials, aerogel has significant advantages in terms of thermal insulation, fire protection, water repellency and service life. Under the same thermal insulation effect, the volume of aerogel is smaller and the replacement cycle is longer, resulting in lower life-cycle costs and a wide range of industrial prospects. In the storage and transportation of liquefied natural gas, an ultra-low temperature environment must be maintained in the storage tank, and aerogel products have excellent performance in maintaining a low temperature environment. With the increasing safety requirements of lithium battery energy storage systems, aerogel is a good choice for lithium battery cell insulation due to its excellent thermal insulation and flame retardant properties and such performance can be achieved by a small amount of aerogel products.

Under the dual carbon policy of the PRC, safety, energy saving and environmental protection will become the main themes for the future development of the energy, chemical and construction industries. It is expected that the aerogel products will soon become a substitute of traditional materials. Taking into account of the above, the Company expects that the market demand for aerogel products will continue to increase in the coming years.

Furthermore, the core management team of Joint Venture Partner possesses the professional research and development, production and technology capacities of aerogel products and the ultimate beneficial owner of the Joint Venture Partner is a senior engineer in the Dalian Institute of Chemical, Physics of the Chinese Academy of Sciences and possesses 36 years of experience in the energy industry and with 25 years of management experience.

Therefore, the ultimate beneficial owner and the core management team of the Joint Venture Partner have mastered the professional research and development, production and technology capacities of aerogel products. In addition, they have abundant market development resources, and are able to establish a comprehensive production technology system for the commercial operation of the Joint Venture Company and support the continuous product research and development of the Joint Venture Company, and the development of the downstream sales to customers. Further, the limited partner of the Joint Venture Partner has approximately 30 patents, proprietary rights or licences in certain technology related to the production of aerogel products.

After considering the above, the Group believes that the strategic cooperation with the Joint Venture Partner and the establishment of the Joint Venture Company complements the business strategies of the Group in (i) developing, producing, selling and promoting aerogel products; (ii) establishing its core competitiveness in the field of energy saving and environmental protection; and (iii) developing into a technological energy corporation with prominent influence and reputation within the industry, in the PRC.

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 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 one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Company's investment in the Joint Venture Company exceeds 5% but are less than 25%, the Joint Venture Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“Baineng Energy Shenzhen”	Baineng Energy (Shenzhen) Co., Limited* (佰能能源(深圳)有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of the Company
“Board”	the board of Directors
“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
“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 June 2022 entered into between Baineng Energy Shenzhen and the Joint Venture Partner 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
“Joint Venture Partner”	Tianjin Zhongzhi Xinshi Entrepreneurial Service Partnership Enterprise (Limited Partnership)* 天津眾智信實創業服務合夥企業(有限合夥), a limited partnership established in the PRC
“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\$1.17, being the exchange rate prevailing on 22 June 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 June 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](http://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](http://www.chinaoilgangrans.com).*

\* *For identification purposes only*