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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Century Energy International Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE MASTER NATURAL GAS PURCHASE AGREEMENT  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

**MESSIS 大有融資**

A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at 3:30 p.m. on Thursday, 21 December 2023 at R3, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. **NO refreshments will be served and NO gifts will be distributed at the EGM.**

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours (i.e. Tuesday, 19 December 2023 at 3:30 p.m.) before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

*This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and be posted on the website of the Company at [www.8132century.com](http://www.8132century.com).*

6 December 2023

## CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meaning:*

“Annual Caps”	the maximum aggregate transaction amounts of purchase of natural gas by the Group from the Vendor pursuant to the Master Natural Gas Purchase Agreement for each year during the three years since the Commencement Date
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	board of Directors of the Company
“Commencement Date”	the commencement date of the Master Natural Gas Purchase Agreement, being the date on which all Conditions Precedent are satisfied and the Company is exempted by the Stock Exchange from obtaining or has obtained the approval from the Independent Shareholders at the EGM (whichever is later)
“Company”	Century Energy International Holdings Limited (百能國際能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8132)
“Conditions Precedent”	the conditions precedent of the Master Natural Gas Purchase Agreement, details of which are set out in the paragraph headed “Master Natural Gas Purchase Agreement — Principal Terms” in the letter from the Board of this circular
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“continuing connected transactions”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Definitive Agreements”	the agreements, purchaser orders and/or such other documentation which may be entered into between the Company and the Vendor in relation to the Transactions at any time during the term of the Master Natural Gas Purchase Agreement
“Director(s)”	the directors of the Company

## DEFINITIONS

“EGM”	the extraordinary general meeting of Shareholders to be held to consider resolutions relating to the Master Natural Gas Purchase Agreement, the Transactions and the Annual Caps, which is scheduled to be held at 3:30 p.m. on Thursday, 21 December 2023 at R3, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong or any adjournment thereof
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Lim Haw Kuang, Mr. Lui Ho Ming Paul and Mr. Chu Kin Ming
“Independent Financial Adviser”	Messis Capital Limited, a corporation licenced to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Master Natural Gas Purchase Agreement
“Independent Shareholders”	Shareholders other than those who have a material interest in the relevant Master Natural Gas Purchase Agreement, which include Mr. Cheung and his spouse, Ms. Zhou Qing, their controlled corporations and their associates
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Latest Practicable Date”	29 November 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“LNG”	liquefied natural gas

## DEFINITIONS

“Master Natural Gas Purchase Agreement”	the Master Natural Gas Purchase Agreement entered into between the Company and the Vendor on 19 October 2023
“Mr. Cheung”	Mr. Cheung Yip Sang, the executive Director and the controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reference Prices”	as defined in the paragraph headed “Pricing Policy” in the letter from the Board of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
“Shareholder(s)”	holders of the shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the purchase of natural gas from the Vendor by the Group contemplated under the Master Natural Gas Purchase Agreement
“Vendor”	Shandong Gaochuang Energy Development Co., Ltd.* (山東高創能源發展有限公司), a company established under the laws of the PRC with limited liability
“Zhongyuan Investment”	Zhongyuan Investment Holdings Limited (眾源投資控股有限公司), a company incorporated in Hong Kong with limited liability, the entire issued shares of which are wholly-owned by Mr. Cheung, the executive Director and controlling shareholder of the Company
“%”	per cent.



**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)**

*Executive Directors:*

Mr. Sun Jiusheng (*Vice Chairman*)

Mr. Cheung Yip Sang

Mr. Ma Shenyuan

Mr. Li Dewen

Mr. Yeung Shing Wai

*Non-executive Director:*

Mr. Leung Wing Cheong Eric (*Chairman*)

*Independent Non-executive Directors:*

Mr. Lim Haw Kuang

Mr. Lui Ho Ming Paul

Mr. Chu Kin Ming

*Registered office:*

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111, Cayman Islands

*Principal place of business*

*in Hong Kong:*

Suite 2303, 23/F., Prudential Tower

The Gateway, Harbour City

Tsim Sha Tsui, Kowloon

Hong Kong

6 December 2023

*To the Shareholders*

Dear Sir/Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE MASTER SERVICES AGREEMENT  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 19 October 2023 in respect of the continuing connected transactions in relation to the Master Natural Gas Purchase Agreement, that the Company conditionally entered into with the Vendor on 19 October 2023.

The purpose of this circular is to provide you with (i) details of the Master Natural Gas Purchase Agreement, the Transactions and the proposed Annual Caps; (ii) the letter from the Independent Board Committee with its view on the Master Natural Gas Purchase Agreement, the Transactions and the proposed Annual Caps; (iii) the letter from the Independent Financial

## LETTER FROM THE BOARD

Adviser with its advice on the terms of the Master Natural Gas Purchase Agreement, the Transactions and the proposed Annual Caps; (iv) the notice of the EGM; and (v) other information as required under the GEM Listing Rules.

### THE MASTER NATURAL GAS PURCHASE AGREEMENT

The Company conditionally entered into the Master Natural Gas Purchase Agreement with the Vendor on 19 October 2023, pursuant to which the Vendor agreed to supply and the Company agreed to purchase natural gas in the PRC for three years from the Commencement Date. The principal terms of the Master Natural Gas Purchase Agreement are set out below:

#### Principal terms

The principal terms of the Master Natural Gas Purchase Agreement are as follow:

- Date: 19 October 2023
- Parties: (i) the Company (as purchaser); and  
(ii) the Vendor (as vendor)
- Term: Conditional upon the fulfilment of the Conditions Precedent, the term of the Master Natural Gas Purchase Agreement shall be for a period of three years from the Commencement Date.
- Conditions precedent: The Master Natural Gas Purchase Agreement shall be subject to the following Conditions Precedent:
- (i) obtaining approval of the Master Natural Gas Purchase Agreement by the Board;
  - (ii) obtaining approval of the Master Natural Gas Purchase Agreement by the board of directors of the Vendor;
  - (iii) signing and affixing of the common seal of the parties to the Master Natural Gas Purchase Agreement by the legal representatives or authorized agents of the respective parties;
  - (iv) obtaining approval of the Master Natural Gas Purchase Agreement from the Stock Exchange or relevant regulatory authorities (if applicable); and
  - (v) complying with all requirements under the GEM Listing Rules on continuing connected transactions and obtaining approval from the Independent Shareholders at the EGM.

## LETTER FROM THE BOARD

None of the above Conditions Precedent are capable of being waived. As at the Latest Practicable Date, Conditions Precedent (i) to (iii) have been satisfied while the remaining are still outstanding.

**Transactions:**

In accordance with the Master Natural Gas Purchase Agreement, the Vendor will supply to the Group natural gas of various types (such as LNG, conventional natural gas, shale gas, coalbed methane or synthetic natural gas, etc.) subject to terms of the Definitive Agreements.

The actual quantities of natural gas, designated port of delivery and time of delivery shall be determined by both parties in the manner stipulated in the Definitive Agreements.

**Payment terms:**

Payment shall be timely made to the Vendor's designated bank account by the Company via wire transfer or other settlement methods after the delivery within the credit period in accordance with the terms and conditions more particularly determined in the Definitive Agreements.

Under the Master Natural Gas Purchase Agreement, the parties agreed that the transactions contemplated thereunder (including the Definitive Agreement which may be entered into by the Parties pursuant to the Master Natural Gas Purchase Agreement) shall be, in particular:

- (a) on normal commercial terms or better, and on an arm's length basis or on terms no less favourable to the Company than terms available from Independent Third Parties;
- (b) fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (c) conducted in compliance with all applicable provisions of the GEM Listing Rules, applicable laws, the respective terms of the Master Natural Gas Purchase Agreement and all applicable provisions of the Definitive Agreement(s).

### **Definitive Agreements**

After the Master Natural Gas Purchase Agreement taking effect from the Commencement Date, the parties may from time to time enter into Definitive Agreement(s) to provide for more detailed terms in relation to the Transactions. Any of such Definitive Agreements to be made between the parties in respect of the continuing connected transactions will be subject to the terms of the Master Natural Gas Purchase Agreement.

Where the Vendor is selected through the procurement process to supply natural gas, the Company and the Vendor may from time to time enter into Definitive Agreement(s) setting out the detailed terms under which the Vendor shall supply natural gas to the Company. Such

## LETTER FROM THE BOARD

terms shall be on normal commercial terms, on an arm's length basis and are on comparable terms to which the Company purchases natural gas from Independent Third Parties. The Company shall also obtain relevant Reference Prices or quotations from at least two natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison.

Upon execution of a Definitive Agreement, the Vendor shall supply and deliver natural gas to and the Company shall purchase and take delivery of the natural gas at the designated location in accordance with terms and conditions therein contained.

### Procurement Process

The Company may, in its sole and absolute discretion, engage any natural gas supplier(s) to supply natural gas.

As at the Latest Practicable Date, the Group had more than 40 approved natural gas suppliers in the PRC which the Group has historically purchased natural gas from. When considering the eligibility of the natural gas suppliers to be admitted as the approved natural gas suppliers of the Group, the management of the Group would take into account of the following major factors:

- (i) **Licences:** whether the natural gas supplier is in possession of the relevant licences or permits for supply of natural gas, including Operation Licence for Natural Gas and Dangerous Goods\* (天然氣危化品經營許可證) or Production Licence of Natural Gas and Dangerous Goods\* (天然氣危化品生產許可證) issued by the relevant PRC authorities;
- (ii) **Capacity:** whether the natural gas supplier has the supply or production capacity for satisfying the Group's demand or has suitable offloading ports for pipeline transportation; and
- (iii) **Background:** the Company will look into the creditability of the candidate and preference will be given to state-owned enterprises or listed companies.

Based on the information provided by the Vendor, the Vendor has obtained the necessary licences for operation for supply of natural gas in the PRC. The Vendor and its affiliated companies have been engaging in the business of trading and supply of LNG in the PRC, which involved in the preparation, development and construction of Yantai Xigang (煙臺西港) LNG receiving terminal project and the LNG gas pipelines project with the designed processing capability of 6 million tonnes per year in aggregate and LNG gas pipelines running across the main natural gas consumption regions in Shandong province with a designed transmission capacity is 23 billion cubic meters per year. With reference to the operational history of the Vendor, the Company considers that Vendor has the capacity to qualify itself as one of the LNG supplier of the Group. In addition, to the Director's best knowledge and belief after conducting reasonable enquiries, the Vendor is owned as to 40% by Shandong Gaochuang, which in turn is ultimately owned by Shandong Hi-Tech Holding Group Co., Ltd, which, is a state-owned enterprise.

## LETTER FROM THE BOARD

Out of the said approved natural gas suppliers, before the Group placing orders to purchase LNG, the Group selects natural gas suppliers with reference to prevailing market conditions and based on a procurement process conducted on arm's length basis, and makes their selection based on factors such as reliability of supply, credit terms, unit price of natural gas quoted, transportation costs and other commercial terms in order to select the supplier with the most favourable terms to the Group. The Company is not obliged to purchase a minimum quantity of natural gas from the Vendor under the Master Natural Gas Purchase Agreement.

In order to ensure the price and the terms of the Transactions are being fair and reasonable, on an arm's length basis or on terms no less favourable to the Company than terms available from Independent Third Parties, the Company shall, before issuing any purchase order to or entering into any Definitive Agreement(s) with the Vendor, obtain relevant Reference Prices (as defined below) or quotations from at least two natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison. The management of the Company will then compare the Reference Prices and the available quotations offered by the respective natural gas suppliers and conduct an assessment, taking into account factors such as their background and reputation, any existing business relationship with such suppliers, credit terms, reliability of supply, unit price of natural gas quoted, and transportation costs, etc. After considering the abovementioned factors, the management of the Company will then decide on which natural gas supplier to engage and enter into a purchase and sale contract with the selected natural gas supplier for the supply of natural gas.

### **Pricing Policy**

The price for supplying natural gas shall be set based on prevailing commercial terms and with reference to the government guidance prices and relevant prevailing open market prices offered by other natural gas suppliers, such as the listed prices of other nearby natural gas receiving terminals or open market prices as obtained from PRC widely recognized natural gas price websites (the "**Reference Prices**").

For Shandong Province where the Vendor having its principal business, the government guidance price is prescribed by the Development and Reform Commission of Shandong Province (or the relevant Development and Reform Commission of local municipal government) from time to time for the terminal price of LNG through press release in their website. For example, as at the Latest Practicable Date, the terminal price of LNG supplied through pipeline in Dezhou of Shandong Province for residential users ranges from RMB2.87 to RMB3.31 per cubic meter (with progressive rates applied) and for the non-residential users is at the flat rate of RMB3.09 per cubic meter. The government guidance price is updated as and when necessary by the relevant Development and Reform Commission.

For the source of prevailing market open prices of LNG, as part of the pricing policy, the Group makes reference to the relevant trading prices quoted at Shanghai Petroleum and Gas Exchange (上海石油天然氣交易中心) and Chongqing Petroleum and Gas Exchange (重慶石油天然氣交易中心), which are the official exchanges for petroleum, natural gas and related products set up under the instruction of National Development and Reform Commission of the PRC and National Energy Administration of the PRC. The exchanges publish the spot price of LNG trading at different locations across the PRC on a daily basis.

## LETTER FROM THE BOARD

Given the homogeneous nature of natural gas and the widespread use of natural gas in the PRC, the Directors consider that the price of the natural gas in China is relatively transparent and readily available from reliable open sources such as price quoted at the Shanghai Petroleum and Gas Exchange (上海石油天然氣交易中心) and Chongqing Petroleum and Gas Exchange (重慶石油天然氣交易中心). The said exchanges publish the spot price of natural gas trading at different locations across the PRC on a daily basis. As such, the Directors consider that it is unlikely that the Company would be unable to obtain the relevant Reference Prices when assessing the relevant market price of natural gas.

Before issuing any purchase order to or entering into any Definitive Agreement(s) with the Vendor, the Company shall obtain relevant Reference Prices or quotations from at least two other natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison. The pricing policy shall ensure that the price of natural gas purchased from the vendor under the Definitive Agreements is no less favourable to the Company than those available from Independent Third Parties.

### THE ANNUAL CAPS

There is no historical transaction of the supply of natural gas by the Vendor to the Group.

Assuming that the Commencement Date of the Master Natural Gas Purchase Agreement is on 21 December 2023, the date on which the EGM will be held for approving the Master Natural Gas Purchase Agreement, the proposed Annual Caps for each of the following year shall be:

	<b>Annual Caps</b> (RMB'000)
For the year ending 20 December 2024	150,000
For the year ending 20 December 2025	150,000
For the year ending 20 December 2026	150,000

As at the Latest Practicable Date, based on the Reference Prices, the unit price of LNG per ton in the PRC is at approximately RMB5,000 and the unit price of natural gas in the PRC supplied through pipeline is at approximately RMB3 per cubic meter. In arriving at the Annual Caps, the Directors have taken into account various factors including (i) the expected purchase volume of LNG needed; (ii) the Reference Prices and quotations obtained through the procurement process; and (iii) the expected business growth of the Group in natural gas trading. It is expected that the Group will purchase no more than 12,000 tonnes of LNG and natural gas of 30,000,000 cubic meters per year from the Vendor, which is of an aggregate value of RMB150 million.

If the aggregate transaction amounts of the supply of LNG exceed the respective Annual Caps or where there is a material change to the terms of the Transactions, the Company will re-comply with all applicable requirements under the GEM Listing Rules, including (where required) making necessary announcement(s) and obtaining of approval of the Independent Shareholders. The Company will also comply with the annual review and reporting requirements under Rule 20.53 to Rule 20.57 and Rule 20.69 of the GEM Listing Rules in relation to the continuing connected transactions contemplated under the Master Natural Gas Purchase Agreement.

## LETTER FROM THE BOARD

Taking into account the above, the Directors consider the Annual Caps are fair and reasonable.

### INTERNAL CONTROL

As part of the Group's internal control systems, the Company has implemented the following measures to ensure the terms and conditions of the Master Natural Gas Purchase Agreement, the Definitive Agreements to be entered into by the Group and the transactions contemplated thereunder are fair and reasonable and not less favourable than those offered by Independent Third Parties, and the relevant Annual Caps will not be exceeded:

- (i) the Board has established a working committee on connected transactions (the “**Working Committee**”), comprising two or more executive Directors (except Mr. Cheung or Director having actual or potential conflict of interest), the company secretary and the finance general manager of the Company, whose main duties are to assist the Board to review and monitor all connected transactions of the Group, including the Transactions. The Working Committee will hold monthly meetings to review and monitor all continuing connected transactions of the Group. While the financial departments of the relevant members of the Group will conduct the initial level of control over the terms of the transactions and the transaction amounts under the Master Natural Gas Purchase Agreement to ensure they are conducted within the framework and the Annual Caps of the Master Natural Gas Purchase Agreement, the Working Committee will conduct monthly review of the transactions under the Master Natural Gas Purchase Agreement to ensure the transactions are conducted in compliance with the Master Natural Gas Purchase Agreement and monitor the utilisation of the Annual Caps for the Master Natural Gas Purchase Agreement to ensure timely compliance with the requirements under Chapter 20 of the GEM Listing Rules. The Working Committee will also initiate such review when necessary;
- (ii) the Company's external auditors will conduct annual review on the pricing, the Transactions and the level of utilisation of the Annual Caps according to the GEM Listing Rules; and
- (iii) the independent non-executive Directors will conduct an annual review and confirm in the annual report of the Company that the transactions under the Master Natural Gas Purchase Agreement and the Definitive Agreements to be entered into by the Group have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole.

### INFORMATION OF THE PARTIES

#### The Company and the Group

The principal activity of the Company is investment holding. The Group is principally engaged in (i) trading of refined oil and chemicals business; and (ii) power and data cords business, in the United States and the PRC.

## LETTER FROM THE BOARD

### The Vendor

The Vendor is a company established under the laws of the PRC with limited liability, which is principally engaged in the business of energy development and pipeline transfer of natural gas.

As at the Latest Practicable Date, the Vendor is an associate of a connected person of the Company as it is owned as to 39% in its equity interest by Zhongyuan Investment, which is wholly-owned by Mr. Cheung, the executive Director and a controlling shareholder of the Company. Therefore the Vendor is a connected person of the Company and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The remaining equity interest of the Vendor is held by Shandong Gaochuang Construction Investment Group Co. Ltd.\* (山東高創建設投資集團有限公司) (“**Shandong Gaochuang**”), a company incorporated in the PRC, and Shandong Huanya International Energy Distribution Centre Co. Ltd.\* (山東環亞國際能源集散中心有限公司) (“**Shandong Huanya**”), a company incorporated in the PRC, as to 40% and 21%, respectively. According to the public searches done by the Company, Shandong Gaochuang is ultimately owned by Shandong Hi-Tech Holding Group Co., Ltd\* (山東高創控股集團有限公司), which is a state-owned enterprise. Shandong Huanya is ultimately owned as to approximately 96% by Zhang Ningning (張寧寧). To the best knowledge and belief of the Directors, other than Zhongyuan Investment, the remaining shareholders and their ultimate beneficial owners are Independent Third Parties.

### REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group has been engaging in natural gas trading business, which includes pipeline natural gas and LNG, with the focus on domestic trading in the PRC. The Group has been proactively promoting the clean energy trading business, actively connecting upstream natural gas resources, developing downstream customer markets by matching the supply and demand for clean energy and provide upstream units with downstream customers with stable business and continuous gas consumption; providing 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.

For LNG trading business, the Group purchases from the LNG manufacturer. The purchase price is determined based on the change in market price on spot purchase. After the purchase, the LNG is transported by LNG cryogenic tank car from the storage station to the terminal supply stations including LNG gasification station, distributed LNG cylinder station and filling station to meet the gas demand of downstream customers. The users mainly include urban gas companies, industrial and commercial enterprises and other customers.

For pipeline natural gas trading business, the Group adopts a model of gas in and gas out, and arranges and implements the transmission plan by purchasing with large oil and gas central enterprises, local coalbed methane producers, shale gas producers and other gas suppliers in combination with market demand. It is transmitted through the national and local pipe

## LETTER FROM THE BOARD

networks, and received by downstream customers at the local pipe network distribution station. Pipeline natural gas is mainly supplied to urban gas distributors to meet the gas demand of urban gas users.

During the financial year ended 31 March 2023, the Group's revenue from sales of natural gas was approximately HK\$562.0 million. In May 2023, the Group entered into a joint venture agreement with an Independent Third Party to establish a joint venture company to develop the LNG tank trading business. In June 2023, the Group entered into a non-legally binding strategic cooperation agreement with a Vietnamese company for engaging in LNG tanks trading and supply of LNG to Vietnam. As the Group seeks to expand the business of natural gas trading in the foreseeable future in both LNG trading and pipeline trading business, the Group considers sourcing a reliable supply of natural gas and diversifying the source of supply would lay the foundation of further development of the natural gas trading business of the Group.

By cooperating with the Vendor, who has been engaging in the business of supply of natural gas to other parties, it would enable the Group to capitalise on its natural gas trading experience and strengthen its position in its energy business in the PRC to achieve a sustainable growth. Purchasing natural gas on a larger scale from the Vendor by the Group and diversifying the source of supply would allow the Group to further enhance the Group's control of its sale costs and operation costs.

The Director consider that no material reliance will arise by entering into the Master Natural Gas Purchase Agreement with the Vendor in terms of the natural gas trading business of the Group, since (i) the Group has more than 40 natural gas suppliers in the PRC which the Group has historically purchased natural gas from, which demonstrates that the source of supply of natural gas of the Group is well diversified, and the Group will continue to trade with those natural gas suppliers in the future; (ii) there is no exclusivity nature under the Master Natural Gas Purchase Agreement, whereby the Group is not obliged to purchase natural gas from the Vendor and there is no minimum quantity of natural gas which the Group is required to purchase from the Vendor; and (iii) given the homogeneous nature of natural gas and the widespread use of natural gas in the PRC, in case of Vendor ceasing to supply the natural gas to the Group at any time, the Group can readily procure natural gas from a different substitute supplier at a similar price.

The Directors (including the independent non-executive Directors) are of the view that (i) the entering into the Master Natural Gas Purchase Agreement is in the ordinary and usual course of business of the Group; (ii) the terms of the Master Natural Gas Purchase Agreement are on normal commercial terms; and (iii) the terms of the Master Natural Gas Purchase Agreement have been reached after arm's length negotiations between the Company and the Vendor.

The Directors (including the independent non-executive Directors) are of the view that the Annual Caps, the Master Natural Gas Purchase Agreement and the Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LETTER FROM THE BOARD**

At the Board meeting convened for considering and approving the Master Natural Gas Purchase Agreement and the Transactions, Mr. Cheung was regarded as having a material interest in the Master Natural Gas Purchase Agreement and accordingly abstained from voting on the relevant resolutions.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the Latest Practicable Date, the Vendor is an associate of a connected person of the Company as it is owned as to 39% of its equity interest by Zhongyuan Investment, which in turn is wholly-owned by Mr. Cheung, the executive Director and a controlling shareholder of the Company. Therefore the Vendor is a connected person of the Company and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As the highest of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Annual Caps is more than 5%, the Transactions constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lim Haw Kuang, Mr. Lui Ho Ming Paul and Mr. Chu Kin Ming, has been formed to advise the Independent Shareholders as to whether the terms of the Master Natural Gas Purchase Agreement, the Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Messis Capital Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on pages 15 to 16 of this circular, which contains its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 17 to 30 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

### **EGM**

The Company will convene an EGM to seek approval from the Independent Shareholders in respect of the Master Natural Gas Purchase Agreement. At the EGM, ordinary resolutions approving each of the Master Natural Gas Purchase Agreement and the Annual Caps shall be proposed and, if thought fit, approve by the Independent Shareholders.

The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share

## LETTER FROM THE BOARD

registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours (i.e. Tuesday, 19 December 2023 at 3:30 p.m.) before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjourned meeting should you so wish.

Voting at the EGM will be conducted by poll. In view of Mr. Cheung's interests in the Master Natural Gas Purchase Agreement, Mr. Cheung, his spouse, Ms. Zhou Qing, their controlled corporations and their associates shall abstain from voting on the proposed resolutions to approve the Master Natural Gas Purchase Agreement and the Annual Caps of the Transactions. Apart from the above persons, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolutions at the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 18 December 2023 to Thursday, 21 December 2023, both dates inclusive, the period during which no transfer of the Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 15 December 2023.

### **RECOMMENDATIONS**

The Directors (including the independent non-executive Directors whose views have been set out in the Letter from the Independent Board Committee in this circular together with the advice of the Independent Financial Adviser) consider that the Master Natural Gas Purchase Agreement has been entered into in the usual and ordinary course of business of the Group, and together with the Annual Caps, are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

### **FURTHER INFORMATION**

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully  
For and on behalf of the Board  
**Century Energy International Holdings Limited**  
**Leung Wing Cheong Eric**  
*Chairman*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders in connection with the entering into of the Master Natural Gas Purchase Agreement for inclusion in this circular.*



### **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)**

6 December 2023

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MASTER NATURAL GAS PURCHASE AGREEMENT**

We refer to the circular of the Company dated 6 December 2023 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Master Natural Gas Purchase Agreement are fair and reasonable, whether the Master Natural Gas Purchase Agreement, the transactions contemplated thereunder and the Annual Caps are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote with respect to the resolutions to be proposed at the EGM to approve the Master Natural Gas Purchase Agreement, the transactions contemplated thereunder and the Annual Caps. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 4 to 14 of the Circular and the letter from the Independent Financial Adviser set out on pages 17 to 30 of the Circular which contains its advice to us and the Independent Shareholders in respect of the Master Natural Gas Purchase Agreement, the transactions contemplated thereunder and the Annual Caps.

Having taken into account the principal factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that the Master Natural Gas Purchase Agreement has been entered into in the ordinary and usual course of business of the Group and is on normal commercial terms, and that the terms of the Master

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Natural Gas Purchase Agreement, the transactions contemplated thereunder and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Master Natural Gas Purchase Agreement, the transactions contemplated thereunder and the Annual Caps.

Yours faithfully  
For and on behalf of  
Independent Board Committee of  
**Century Energy International Holding Limited**

**Mr. Lim Haw Kuang**  
*Independent*  
*non-executive Director*

**Mr. Lui Ho Ming Paul**  
*Independent*  
*non-executive Director*

**Mr. Chu Kin Ming**  
*Independent*  
*non-executive Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of the letter from Messis Capital Limited which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this Circular.*

**MESSIS** 大有融資

6 December 2023

*To: The Independent Board Committee and the Independent Shareholders of Century Energy International Holdings Limited*

Dear Sir/Madam,

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER NATURAL GAS PURCHASE AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee with regard to the continuing connected transactions in relation to the Master Natural Gas Purchase Agreement. Details of the continuing connected transactions and the Annual Caps for the period from 21 December 2023 to 20 December 2026 are contained in the “Letter from the Board” of the circular to the Shareholders dated 6 December 2023 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular shall have the same meanings in this letter.

Reference is made to the announcement of the Company dated 19 October 2023 in respect of the Master Natural Gas Purchase Agreement and the Annual Caps, the Company (as the purchaser) has conditionally entered into the Master Natural Gas Purchase Agreement with the Vendor (as the vendor), pursuant to which the Vendor has agreed to supply and the Company has agreed to purchase natural gas in the PRC for three years from the Commencement Date. Subject to the approval by the Independent Shareholders at the EGM and satisfaction of the Conditions Precedent, the Master Natural Gas Purchase Agreement will take effect from the Commencement Date.

As at the Latest Practicable Date, the Vendor is an associate of a connected person of the Company as it is owned as to 39% of its equity interest of Zhongyuan Investment, which is wholly-owned by, the executive Director and a controlling shareholder of the Company. Therefore, the Vendor is a connected person of the Company and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the highest of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Annual Caps is more than 5%, the Transactions constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Master Natural Gas Purchase Agreement, the Transactions and the Annual Caps are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. As the Independent Financial Adviser to the Independent Board Committees, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether (i) the Master Natural Gas Purchase Agreement, the Transactions and the Annual Caps are in the interests of the Company and the Independent Shareholders as a whole and are fair and reasonable so far as the shareholders are concerned; (ii) the Master Natural Gas Purchase Agreement and the Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) the Independent Shareholders should vote in favour of the resolutions to approve the Master Natural Gas Purchase Agreement and the Annual Caps at the EGM.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Group under Rule 17.96 of the GEM Listing Rules, and accordingly, qualified to give independent advice regarding the Master Natural Gas Purchase Agreement and the Annual Caps. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

### BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and advice, we have relied on the statements, information, opinions and representations contained or referred to in this Circular and the representations made to us by the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. We have

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement contained in this Circular misleading.

We consider that we have reviewed all currently available information and documents, among others: (i) the annual report of the Company for the year ended 31 March 2022 (the “**Annual Report 2022**”); (ii) the annual report of the Company for the year ended 31 March 2023 (the “**Annual Report 2023**”); (iii) the interim report of the Company for the six months ended 30 September 2023 (the “**Interim Report 2023**”); (iv) the Master Natural Gas Purchase Agreement; (v) the basis and assumptions of the Annual Caps contemplated under the Master Natural Gas Purchase Agreement; and (vi) the internal control measures governing the Transactions.

We consider that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent investigation into the business, affairs, borrowing and financial position or prospects of the Company or the Group.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Master Natural Gas Purchase Agreement and the proposed Annual Caps, and except for its inclusion in this Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation in respect of the terms of the Master Natural Gas Purchase Agreement and the proposed Annual Caps, we have considered the following principal factors and reasons as set out below.

#### **1. Background information to and reasons for the Master Natural Gas Purchase Agreement**

##### *(i) Information of the Group*

The Group has been engaging in natural gas trading business, which includes pipeline natural gas and LNG, with the focus on domestic trading in the PRC. The Group has been proactively promoting the clean energy trading business, actively connecting upstream natural gas resources, developing downstream customer markets by matching the supply and demand for clean energy and provide upstream units with downstream customers with stable business and continuous gas consumption; providing downstream

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 following is the revenue overview of the Group for each of the three financial years ended 31 March 2021, 2022 and 2023 as extracted from the Annual Report 2022 and the Annual Report 2023, and six months ended 30 September 2023 as extracted from the Interim Report 2023, respectively.

	For the year ended 31 March			For the six months ended 30 September
<i>HK\$'000</i>	<b>2021</b> <i>(audited)</i>	<b>2022</b> <i>(audited)</i>	<b>2023</b> <i>(audited)</i>	<b>2023</b> <i>(unaudited)</i>
Total revenue	110,671	56,605	603,125	229,367
of which, revenue generated from natural gas trading business	—	—	561,912	209,909

According to the Annual Report 2023 and as advised by the Management, the Group's revenue generated from natural gas trading was approximately HK\$561.9 million for the year ended 31 March 2023, which accounted for approximately 93.2% of total revenue for the year ended 31 March 2023, while there was no revenue generated from natural gas trading business for the year ended 31 March 2022.

The importance of the natural gas trading business to the Group's revenue continued into the six months ended 30 September 2023. According to the Interim Report 2023, the Group's revenue generated from natural gas trading was approximately HK\$209.9 million for the six months ended 30 September 2023, accounted for 91.5% of total revenue of the Group for the same period.

*(ii) Information on the Vendor*

As stated in the Letter from the Board, the Vendor is a company established under the laws of the PRC with limited liability, which is principally engaged in the business of energy development and pipeline transfer of natural gas. As understood from the management of the Company, the Vendor was established in 2023. As stated in the Letter from the Board, the Vendor is owned as to 40% by Shandong Gaochuang Construction Investment Group Co. Ltd.\* (山東高創建設投資集團有限公司) (“**Shandong Gaochuang**”), Shandong Gaochuang is ultimately owned by Shandong HiTech Holding Group Co., Ltd\* (山東高創控股集團有限公司), which is a state-owned enterprise.

## **2. Reasons and benefits for entering into the Master Natural Gas Purchase Agreement**

The Group has been engaging in natural gas trading business, which includes pipeline natural gas and LNG, with the focus on domestic trading in the PRC. The Group has been proactively promoting the clean energy trading business, actively connecting upstream natural gas resources, developing downstream customer markets by matching the supply and demand for clean energy and provide upstream units with downstream customers with stable business and continuous gas consumption; providing 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.

For LNG trading business, the Group purchases from the LNG manufacturer. The purchase price is determined based on the change in market price on spot purchase. After the purchase, the LNG is transported by LNG cryogenic tank car from the storage station to the terminal supply stations including LNG gasification station, distributed LNG cylinder station and filling station to meet the gas demand of downstream customers. The users mainly include urban gas companies, industrial and commercial enterprises and other customers.

For pipeline natural gas trading business, the Group adopts a model of gas in and gas out, and arranges and implements the transmission plan by purchasing with large oil and gas central enterprises, local coalbed methane producers, shale gas producers and other gas suppliers in combination with market demand. It is transmitted through the national and local pipe networks, and received by downstream customers at the local pipe network distribution station. Pipeline natural gas is mainly supplied to urban gas distributors to meet the gas demand of urban gas users.

For the financial year ended 31 March 2023, the Group's revenue from sales of natural gas was approximately HK\$561.9 million. We note that following the lifting of the COVID-19 restrictive measures, the Group has stepped up efforts in expanding its natural gas trading business. In May 2023, the Group entered into a joint venture agreement with an Independent Third Party to establish a joint venture company to develop the LNG tank trading business. Further in June 2023, the Group entered into a non-legally binding strategic cooperation agreement with a Vietnamese company for engaging in LNG tanks trading and supply of LNG to Vietnam. As the Group seeks to expand the business of natural gas trading in the foreseeable future in both LNG trading and pipeline trading business, the Group considers sourcing a reliable supply of natural gas and diversifying the source of supply would lay the foundation of further development of the natural gas trading business of the Group.

As disclosed in the Letter from the Board, by cooperating with the Vendor, who has been engaging in the business of supply of natural gas to other parties, the background of which is discussed in the paragraph headed "Information on the Vendor" above, it would enable the Group to capitalise on its natural gas trading experience and strengthen its position in its energy business in the PRC to achieve a sustainable growth. We concur with the Board that purchasing natural gas on a larger scale from the Vendor by the Group and diversifying the source of supply would allow the Group to further enhance the Group's control of its sale costs and operation costs.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the above, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the Annual Caps, the Master Natural Gas Purchase Agreement and the Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In view of the (i) increasing revenue contribution from sales of natural gas to the Group's revenue in recent years; (ii) the Group's increasing efforts in expanding its natural gas trading business, in particular the potential business collaborations in the LNG tank trading business in 2023; (iii) the consequential increasing need for stable supply of natural gas, we concur with the Directors' view that the entering into the Master Natural Gas Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

### 3. Principal terms of the Master Natural Gas Purchase Agreement

The principal terms of the Master Natural Gas Purchase Agreement (other than the conditions precedent) are set out below:

**Date:** 19 October 2023

**Parties:** (i) the Company (as purchaser); and  
(ii) the Vendor (as vendor)

**Term:** Three years from the Commencement Date.

**Transaction:** In accordance with the Master Natural Gas Purchase Agreement, the Vendor will supply to the Group natural gas of various types (such as LNG, conventional natural gas, shale gas, coalbed methane or synthetic natural gas, etc.) subject to terms of the Definitive Agreements.

The actual quantities of natural gas, designated port of delivery and time of delivery shall be determined by both parties at the time of delivery in the manner stipulated in the Definitive Agreements.

**Payment terms:** Payment shall be timely made to the Vendor's designated bank account by the Company via wire transfer or other settlement methods after the delivery within the credit period in accordance with the terms and conditions more particularly determined in the Definitive Agreements.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Under the Master Natural Gas Purchase Agreement, the parties agreed that the transactions contemplated thereunder (including the Definitive Agreement which may be entered into by the Parties pursuant to the Master Natural Gas Purchase Agreement) shall be, in particular:

- (a) on normal commercial terms or better, and on an arm's length basis or on terms no less favourable to the Company than terms available from Independent Third Parties;
- (b) fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (c) conducted in compliance with all applicable provisions of the GEM Listing Rules, applicable laws, the respective terms of the Master Natural Gas Purchase Agreement and all applicable provisions of the Definitive Agreement(s).

After the Master Natural Gas Purchase Agreement taking effect from the Commencement Date, the parties may from time to time enter into Definitive Agreement(s) to provide for more detailed terms in relation to the Transactions. Any of such Definitive Agreements to be made between the parties in respect of the continuing connected transactions will be subject to the terms of the Master Natural Gas Purchase Agreement.

Where the Vendor is selected through the procurement process to supply natural gas, the Company and the Vendor may from time to time enter into Definitive Agreement(s) setting out the detailed terms under which the Vendor shall supply natural gas to the Company. Such terms shall be on normal commercial terms, on an arm's length basis and are on comparable terms to which the Company purchases natural gas from Independent Third Parties. The Company shall also obtain relevant Reference Prices or quotations from at least two natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison.

Upon execution of a Definitive Agreement, the Vendor shall supply and deliver natural gas to and the Company shall purchase and take delivery of the natural gas at the designated location in accordance with terms and conditions therein contained.

### *Procurement Process and Pricing Policy*

The Company may, in its sole and absolute discretion, engage any natural gas supplier(s) to supply natural gas. The Group selects natural gas suppliers with reference to prevailing market conditions and based on a procurement process conducted on arm's length basis, and makes their selection based on factors such as reliability of supply, credit terms, unit price of natural gas quoted, transportation costs and other commercial terms in order to select the supplier with the most favourable terms to the Group. The Company is not obliged to purchase a minimum quantity of natural gas from the Vendor under the Master Natural Gas Purchase Agreement.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to ensure the price and the terms of the Transactions are being fair and reasonable, on an arm's length basis or on terms no less favourable to the Company than terms available from Independent Third Parties, the Company shall, before issuing any purchase order to or entering into any Definitive Agreement(s) with the Vendor, obtain relevant Reference Prices or quotations from at least two natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison. The management of the Company will then compare the Reference Prices and the available quotations offered by the respective natural gas suppliers and conduct an assessment, taking into account factors such as their background and reputation, any existing business relationship with such suppliers, credit terms, reliability of supply, unit price of natural gas quoted, and transportation costs, etc. After considering the abovementioned factors, the management of the Company will then decide on which natural gas supplier to engage and enter into a purchase and sale contract with the selected natural gas supplier for the supply of natural gas.

The price for supplying natural gas shall be set based on prevailing commercial terms and with reference to the government guidance prices and relevant prevailing open market prices offered by other natural gas suppliers, such as the listed prices of other nearby natural gas receiving terminals or open market prices as obtained from PRC widely recognized natural gas price websites (the “**Reference Prices**”).

Before issuing any purchase order to or entering into any Definitive Agreement(s) with the Vendor, the Company shall obtain relevant Reference Prices or quotations from at least two other natural gas suppliers nearby which are Independent Third Parties (if applicable) for comparison. The pricing policy shall ensure that the price of natural gas purchased from the Vendor under the Definitive Agreements is no less favourable to the Company than those available from Independent Third Parties.

According to the 《國家發展改革委關於調整天然氣價格的通知》 (*Notice of the National Development and Reform Commission on Natural Gas Price Adjustment, the “NDRC Notice”*) promulgated by The National Development and Reform Commission (“**NDRC**”) in 2013, the PRC, and based on our understanding with the management of the Company, price of the natural gas type to be supplied under the Master Natural Gas Purchase Agreement will be determined between the purchaser and the vendor with reference to relevant prevailing open market prices, which can be obtained from widely recognised natural gas price websites from the public domain.

We notice that, in accordance with the NDRC Notice, government guidance price serves as a price cap where the transaction parties will determine the price for supplying natural gas. In the event that government guidance price becomes applicable to the natural gas type to be supplied under the Master Natural Gas Purchase Agreement according to the latest policies implemented by the relevant authorities, the Company as purchaser will ensure that the applicable government guidance prices are duly observed, where the relevant government guidance prices in the form of provincial/municipal gas station prices are prescribed and published by the local municipal government from time to time on their website. Given that the government guidance price is a transparent and open price

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

cap set by the Development and Reform Commission of local municipal government whereby all market participants have to follow, we are of the view that the pricing basis with reference to the government guidance prices which are also applied in the purchase of natural gas from other Independent Third Parties, are on normal commercial terms and fair and reasonable.

With respect to the measure of cross-referencing quotations from natural gas suppliers nearby which are Independent Third Parties, we have obtained a list of natural gas supplier of the Group, which is an exhaustive list as confirmed by the management of the Company, and note that there are multiple natural gas suppliers from which the Group can obtain quotation. We have reviewed the details of such suppliers, including background and operations, and noted that such suppliers are well established energy conglomerates engaged in multiple segments in the energy sector in the PRC. We are of the view that the quotations from such suppliers could represent quotations generally obtainable in the market and could reflect the market terms.

We have also reviewed a total of 28 sample quotations and/or contracts, which cover both the supply of LNG and the supply of nature gas through pipeline, from each of the Independent Third Parties suppliers that supplied natural gas to the Company during the six months ended 30 September 2023. We noted that such quotations and/or contracts contain key terms like unit price of natural gas, credit terms and transportation costs for comparison purpose. The sample quotations and/or contracts from Independent Third Parties (i) were provided during the six months ended 30 September 2023 which in our view reflect the recent market practice of natural gas trading; (ii) were provided by suppliers on the list of natural gas suppliers of the Group and (iii) cover each of supply of LNG and natural gas supplied through pipeline which correspond to two modes of natural gas supply under the Master Natural Gas Purchase Agreement. Therefore, we are of the view that the sample quotations and/or contracts selected are sufficient and representative to allow us to understand the recent term structure offered by the Group's Independent Third Parties suppliers for both modes of natural gas supply in order to assess the terms of the Master Natural Gas Purchase Agreement.

With reference to the sample quotations and/or contracts, we noted that the unit price of natural gas were determined with reference to then prevailing open market prices obtained from widely recognised natural gas price websites, and that the Company has applied the same pricing basis as stipulated in the Master Natural Gas Purchase Agreement. Having considered that the pricing basis and terms set out in the Master Natural Gas Purchase Agreement resemble the pricing terms set out in the sample quotations and/or contracts entered into with Independent Third Parties suppliers, we are of the view that the proposed pricing policy and terms stipulated in the Master Natural Gas Purchase Agreement are on normal commercial terms and fair and reasonable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 4. The proposed annual caps of the Master Natural Gas Purchase Agreement

The following table set forth the proposed annual caps of the transactions contemplated under the Master Natural Gas Purchase Agreement for the three years ending 20 December 2026 (assuming the Commencement Date of the Master Natural Gas Purchase Agreement is on 21 December 2023, the date on which the EGM will be held for approving the Master Natural Gas Purchase Agreement).

	<i>(RMB'000)</i>
For the year ending 20 December 2024	150,000
For the year ending 20 December 2025	150,000
For the year ending 20 December 2026	150,000

There is no historical transaction of the supply of natural gas by the Vendor to the Group.

As at the Latest Practicable Date, based on the Reference Prices, the unit price of LNG per ton in the PRC is at approximately RMB5,000 and the unit price of natural gas in the PRC supplied through pipeline is at approximately RMB3 per cubic meter. As disclosed in the Letter from the Board, in arriving at the Annual Caps, the Directors have taken into account various factors including (i) the expected purchase volume of LNG needed; (ii) the Reference Prices and quotations obtained through the procurement process; and (iii) the expected business growth of the Group in natural gas trading. It is expected that the Group will purchase no more than 12,000 tonnes of LNG and natural gas of 30,000,000 cubic meters per year from the Vendor, which is of an aggregate value of RMB150 million.

As discussed in the paragraph headed “Information of the Group” above, according to the Annual Report 2023 and the Interim Report 2023, the Group’s revenue generated from natural gas trading was approximately HK\$561.9 million for the year ended 31 March 2023 and approximately HK\$209.9 million for the six months ended 30 September 2023. As further advised by the management of the Company, the Group purchased a total of around 50,973 tonnes of LNG and natural gas of around 5,111 cubic meters for the year ended 31 December 2022, which amounted to an aggregate value of approximately RMB525.7 million. The Annual Cap for each of the three years ending 20 December 2026 of HK\$150 million only accounts for less than 30% of the Group’s purchase of natural gas for the year ended 31 December 2022 in terms of value, which in our view the Annual Caps could be utilised in the event that the Group choose to purchase natural gas from the Vendor.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For adopting the unit price of LNG per ton in the PRC of RMB5,000 in arriving at the Annual Caps, we have attempted to study the price trend of LNG in the PRC in the past twelve months. Set out below is price trend of LNG in the PRC in the past twelve months (the “**Review Period**”) according to Shanghai Petroleum and Natural Gas Exchange (www.shpgx.com), a recognised state-owned exchange for petroleum and natural gas in the PRC:



We noted that during the Review Period, the unit price of LNG was around RMB6,000 per ton a year ago in November 2022, and peaked at around RMB7,800 in December 2022. The unit price of LNG subsequently dropped to around RMB3,800 in August 2023 and is now hovering around RMB5,000 in November 2023. We noted the volatility of LNG price due to the seasonality of natural gas consumption in the PRC, and considered that the unit price range of RMB5,000 to RMB6,000 could represent the average unit price of LNG throughout a year, and further considered that the unit price of RMB5,000 in November 2023 could better represent the market price of LNG under recent economic condition in the PRC. As such, we consider that the adoption the unit price of LNG per ton in the PRC of RMB5,000 in arriving at the Annual Caps is fair and reasonable.

For adopting the unit price of natural gas in the PRC supplied through pipeline of RMB3 per cubic meter in arriving at the Annual Caps, we have attempted to study the market information on price of natural gas supplied through pipeline in the PRC in the past twelve months, but noted that there is insufficient public information available to form a view on the price of natural gas supplied through pipeline in the PRC. Nevertheless, as advised by the management of the Company, the average purchase price of the Group for natural gas supplied through pipeline from Independent Third Parties during the first ten months of 2023 was approximately RMB3.2 per cubic meter, and the Reference Prices relied on by the Group indicated that the recent market price of natural gas supplied through pipeline was close to RMB3.2 per cubic meter for November and December 2023. As such, on the principal that the purchase price under the Master Natural Gas Purchase Agreement shall be no less favourable to the Company than terms available from Independent Third Parties, we consider that the

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

adoption the unit price of natural gas in the PRC supplied through pipeline of RMB3 per cubic meter in arriving at the Annual Caps, which is close to but below RMB3.2 per cubic meter offered by Independent Third Parties in 2023, is fair and reasonable.

If the aggregate transaction amounts of the supply of LNG exceed the respective Annual Caps or where there is a material change to the terms of the Transactions, the Company will re-comply with all applicable requirements under the GEM Listing Rules, including (where required) making necessary announcement(s) and obtaining of approval of the Independent Shareholders. The Company will also comply with the annual review and reporting requirements under Rule 20.53 to Rule 20.57 and Rule 20.69 of the GEM Listing Rules in relation to the continuing connected transactions contemplated under the Master Natural Gas Purchase Agreement. As discussed with the management of the Company, we are given to understand that the Group always has the option to purchase from suppliers which are Independent Third Parties in the event that aggregate transaction amounts of the supply of LNG approaches the respective Annual Caps, without causing disruption to its natural gas trading business and the need to re-comply with the relevant requirements of the Listing Rules. All in all, the Master Natural Gas Purchase Agreement offers a additional procurement source of natural gas which would enhance the stability in the supply of natural gas for the Group.

Based on above, we are of the view that the Annual Caps for the three years ending 20 December 2026 are reasonably estimated and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### 5. Internal control measures of the Company

As part of the Group's internal control systems, the Company has implemented the following measures to ensure the terms and conditions of the Master Natural Gas Purchase Agreement, the Definitive Agreements to be entered into by the Group and the transactions contemplated thereunder are fair and reasonable and not less favourable than those offered by Independent Third Parties, and the relevant Annual Caps will not be exceeded:

- (i) the Board has established a working committee on connected transactions (the "**Working Committee**"), comprising executive directors, the company secretary and the finance general manager of the Company, whose main duties are to assist the Board to review and monitor all connected transactions of the Group, including the Transactions. The Working Committee generally holds monthly meetings to review and monitor all continuing connected transactions of the Group. While the financial departments of the relevant members of the Group will conduct the initial level of control over the terms of the transactions and the transaction amounts under the Master Natural Gas Purchase Agreement to ensure they are conducted within the framework and the Annual Caps of the Master Natural Gas Purchase Agreement, the Working Committee will conduct monthly review of the transactions under the Master Natural Gas Purchase Agreement to ensure the transactions are conducted in compliance with the Master Natural Gas Purchase Agreement and monitor the utilization of the Annual Caps for the Master Natural Gas Purchase Agreement to

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

ensure timely compliance with the requirements under Chapter 20 of the GEM Listing Rules. The Working Committee will also initiate such review when necessary;

- (ii) the Company's external auditors will conduct annual review on the pricing, the Transactions and the level of utilisation of the Annual Caps according to the GEM Listing Rules; and
- (iii) the independent non-executive Directors will conduct an annual review and confirm in the annual report of the Company that the transactions under the Master Natural Gas Purchase Agreement and the Definitive Agreements to be entered into by the Group have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole.

Given that (i) a committee comprising an executive director, the company secretary and the finance general manager of the Company, which in our view possess sufficient understanding of the Transactions, is designated to regularly monitor the Transactions; (ii) the Company's auditors, as an external party, will conduct annual review on the Transactions; and (iii) the independent non-executive Directors will conduct an annual review on the Transactions, the results of which will be disclosed in the annual report of the Company, we concur with the Directors' view that the proposed internal control measures would be adequate and effective to ensure that the Transactions will be conducted on normal commercial terms and in accordance with the terms of the Master Natural Gas Purchase Agreement.

### RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the above principal factors and reasons, in particular, the following:

- (i) the background of and the reasons for the Transactions;
- (ii) terms of the Master Natural Gas Purchase Agreement will be conducted in the ordinary and usual course of business of the Group;
- (iii) the terms of the Transactions, including the pricing policy, are being fair and reasonable, on an arm's length basis or on terms no less favourable to the Company than terms available from Independent Third Parties, details of which are set out in the section headed "Principal terms of the Master Natural Gas Purchase Agreement" above;
- (iv) control procedures, including annual review by the Independent Non-Executive Directors and confirmation from the auditors of the Company in respect of the terms of the Transactions, are adequate and effective to monitor the terms and conditions of the Transactions; and

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

- (v) the basis for determining the Annual Caps is reasonable, details of which are set out in the section headed “The proposed annual caps of the Master Natural Gas Purchase Agreement” above.

Based on the above consideration, we are of the opinion that the Master Natural Gas Purchase Agreement is on normal commercial terms and in the ordinary course of business of the Group, in the interests of the Company and the Shareholders as a whole, and the terms of the Master Natural Gas Purchase Agreement and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we would advise the Independent Board Committee and the Independent Shareholders that the Independent Shareholders should vote in favour of the ordinary resolution to approve the Master Natural Gas Purchase Agreement and the Annual Caps at the EGM.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**  
**Thomas Lai**  
*Chief Executive Officer*

*Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission and regarded as a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 28 years of experience in corporate finance industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (A) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

#### *Long positions in the Shares and the shares of associated corporation*

Name of Director	Capacity	Nature of interest	Number of Shares held	Approximate percentage of issued share capital
Mr. Leung Wing Cheong Eric (Note 1)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%
Mr. Cheung Yip Sang (Note 2)	Beneficial owner	Personal interest	161,000,000	5.975%
	Interest of spouse	Spouse interest	1,859,639,090	69.017%
Mr. Sun Jiusheng (Note 1)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%

*Note 1:* In accordance with the SFO, BAINENG Holdings Limited (“BAINENG”) has total interest in 1,859,639,090 Shares, of which 358,560,809 Shares are held by other parties acting in concert. BAINENG, the associated corporation of the Company, is beneficially owned as to 33.40% by Hengsheng Holding Limited which is wholly-owned by Mr. Sun Jiusheng, 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing, 18.57% by Zhongrui Holding Limited which is wholly-owned by Mr. Zhang Chao, 5.16% by Mr. Cheng Lianfu, 2.58% by Mr. Zhou Xinhua and 10.61% by Mr. Leung Wing Cheong Eric. Mr. Leung Wing Cheong Eric beneficially owns 360,201 shares of BAINENG. Mr. Sun Jiusheng beneficially owns 100% of Hengsheng Holding Limited. By virtue of the SFO, Mr. Leung Wing Cheong Eric and Mr. Sun Jiusheng are deemed to be interested in the Shares which BAINENG has interest in.

*Note 2:* Mr. Cheung Yip Sang directly holds 161,000,000 Shares and is the spouse of Ms. Zhou Jing. BAINENG, the associated corporation of the Company, is beneficially owned as to 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing. Ms. Zhou Jing beneficially owns 100% of Melin Holding Limited. By virtue of the SFO, Mr. Cheung Yip Sang is deemed to be interested in the Shares which BAINENG has interest in.

**(B) Substantial Shareholders’ and other persons’ interests and short positions in the shares and underlying shares of the Company**

Save as disclosed below, as at the Latest Practicable Date, none of the shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

*Long positions in the Shares*

Name of shareholder	Capacity	Nature of interest	Number of Shares held	Approximate percentage of issued share capital
(a) BAINENG (Note 1)	Beneficial owner	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%
Mr. Sun Jiusheng (Note 1)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%
Ms. Zhou Jing (Note 1 and Note 4)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%
	Interest of spouse	Spouse interest	161,000,000	5.975%
Mr. Zhang Chao (Note 1)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%
Mr. Leung Wing Cheong Eric (Note 1)	Interest of controlled corporation	Corporate interest	1,501,078,281	55.710%
	Interest held jointly with another parties	Corporate interest	358,560,809	13.307%

Name of shareholder	Capacity	Nature of interest	Number of Shares held	Approximate percentage of issued share capital
(b) Richmax Investment (H.K.) Limited (“ <b>Richmax Investment</b> ”) (Note 2)	Beneficial owner	Corporate interest	326,247,014	12.108%
	Interest held jointly with another parties	Corporate interest	1,533,392,076	56.910%
Mr. Chu David (Note 2)	Interest of controlled corporation and interest of spouse	Corporate interest and spouse interest	326,247,014	12.108%
	Interest held jointly with another parties	Corporate interest	1,533,392,076	56.910%
Ms. Tsang Siu Lan (Note 2)	Interest of controlled corporation and interest of spouse	Corporate interest and spouse interest	326,247,014	12.108%
	Interest held jointly with another parties	Corporate interest	1,533,392,076	56.910%
Mr. Cheung Yuen Chau (Note 2)	Interest of controlled corporation	Corporate interest	326,247,014	12.108%
	Interest held jointly with another parties	Corporate interest	1,533,392,076	56.910%
Ms. Ip Tsang Katherine Man Tung (Note 2)	Interest of controlled corporation	Corporate interest	326,247,014	12.108%
	Interest held jointly with another parties	Corporate interest	1,533,392,076	56.910%
(c) New Origins International Limited (“ <b>New Origins</b> ”) (Note 3)	Beneficial owner	Corporate interest	32,313,795	1.199%
	Interest held jointly with another parties	Corporate interest	1,827,325,295	67.818%
Ms. To Sau Man (Note 3)	Interest of controlled corporation	Corporate interest	32,313,795	1.199%
	Interest held jointly with another parties	Corporate interest	1,827,325,295	67.818%

Name of shareholder	Capacity	Nature of interest	Number of Shares held	Approximate percentage of issued share capital
(d) Mr. Cheung Yip Sang	Beneficial owner	Personal interest	161,000,000	5.975%
(Note 4)	Interest of spouse	Spouse interest	1,859,639,090	69.017%

*Note 1:* In accordance with the SFO, BAINENG has total interest in 1,859,639,090 Shares, of which 358,560,809 Shares are held by other parties acting in concert. BAINENG is beneficially owned as to 33.40% by Hengsheng Holding Limited which is wholly-owned by Mr. Sun Jiusheng, 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing, 18.57% by Zhongrui Holding Limited which is wholly-owned by Mr. Zhang Chao, 5.16% by Mr. Cheng Lianfu, 2.58% by Mr. Zhou Xinhua and 10.61% by Mr. Leung Wing Cheong Eric. By virtue of the SFO, Mr. Sun Jiusheng, Ms. Zhou Jing, Mr. Zhang Chao, Mr. Leung Wing Cheong Eric, Hengsheng Holding Limited, Melin Holding Limited and Zhongrui Holding Limited are deemed to be interested in the Shares which BAINENG has interest in.

*Note 2:* In accordance with the SFO, Richmax Investment has total interest in 1,859,639,090 Shares, of which 1,533,392,076 Shares are held by other parties acting in concert. Richmax Investment is beneficially owned as to 46.67% by Mr. Chu David, 40% by Mr. Cheung Yuen Chau, 6.67% by Ms. Tsang Siu Lan and 6.66% by Ms. Ip Tsang Katherine Man Tung. Ms. Tsang Siu Lan is the spouse of Mr. Chu David. By virtue of the SFO, Mr. Chu David, Mr. Cheung Yuen Chau, Ms. Tsang Siu Lan and Ms. Ip Tsang Katherine Man Tung are deemed to be interested in the Shares which Richmax Investment has interest in.

*Note 3:* In accordance with the SFO, New Origins has total interest in 1,859,639,090 Shares, of which 1,827,325,295 Shares are held by other parties acting in concert. New Origins is beneficially wholly-owned by Ms. To Sau Man. By virtue of the SFO, Ms. To Sau Man is deemed to be interested in the Shares which New Origins has interest in.

*Note 4:* Mr. Cheung Yip Sang directly holds 161,000,000 Shares and is the spouse of Ms. Zhou Jing. BAINENG is beneficially owned as to 29.68% by Melin Holding Limited which is wholly-owned by Ms. Zhou Jing. By virtue of the SFO, Mr. Cheung Yip Sang is deemed to be interested in the Shares which BAINENG has interest in.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors, controlling Shareholders and their respective close associates was interested in any business apart from the Group's business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group pursuant to the GEM Listing Rules.

## 5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date and which was significant in relation to the business of the Group; and none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited financial statements of the Company were made up.

## 6. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Company for the six months ended 30 September 2023 dated 13 November 2023, as at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Messis Capital Limited	a corporation licenced to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the above expert:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 9. GENERAL

- (1) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (2) The principal place of business of the Company is at Suite 2303, 23/F., Prudential Tower, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.
- (3) The branch share registrar and transfer office of the Company in Hong Kong is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (4) The secretary of the Company is Mr. Chu Chun Ming who is a member of The Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (5) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

## 10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.8132century.com](http://www.8132century.com)) for a period of 14 days from the date of this circular:

- (a) the Master Natural Gas Purchase Agreement;
- (b) the letter from the Board, the text of which is set out on pages 4 to 14 of this circular;
- (c) the letter from the Independent Board Committee, the text of which is set out on pages 15 to 16 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 17 to 30 of this circular;
- (e) the written consent referred to in the section headed “8. Expert and consent” in this appendix; and
- (f) this circular.

## NOTICE OF EGM



### 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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Century Energy International Holdings Limited (the “**Company**”) will be held at 3:30 p.m. on Thursday, 21 December 2023 at R3, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong, for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company. Unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 6 December 2023.

#### ORDINARY RESOLUTION

1. **“THAT:**

- (a) the transactions contemplated under the Master Natural Gas Purchase Agreement, copy of which have been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, and the relevant Annual Caps for the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the Master Natural Gas Purchase Agreement and the transactions contemplated thereunder and the Annual Caps for the transactions contemplated thereunder be and are hereby ratified, confirmed and approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his discretion consider necessary, desirable or expedient in connection with the implementation of the Master Natural Gas Purchase Agreement or the transactions contemplated thereunder and/or the Annual Caps for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

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

Hong Kong, 6 December 2023

## NOTICE OF EGM

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

*Principal place of business in Hong Kong:*

Suite 2303, 23/F., Prudential Tower  
The Gateway, Harbour City  
Tsim Sha Tsui, Kowloon  
Hong Kong

*Notes:*

1. The resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the GEM Listing Rules.
2. Any member of the Company (“**Member**”) entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the general meeting of the Company. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.
3. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. Tuesday, 19 December 2023 at 3:30 p.m.) before the time appointed for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.
5. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 18 December 2023 to Thursday, 21 December 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 15 December 2023.
6. The record date for determining the entitlement of the Members to attend and vote at the EGM will be Thursday, 21 December 2023. All transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 15 December 2023.

## NOTICE OF EGM

7. If tropical cyclone warning signal no. 8 or above is hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 1:00 p.m. on Thursday, 21 December 2023, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
8. **NO refreshments will be served and NO gifts will be distributed at the EGM.**