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Golden Century International Holdings Group Limited

金禧國際控股集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Golden Century International Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company (“**Shareholders**”) and potential investors with an update on the latest development of the Group.

Reference is made to (i) the announcements of the Company dated 10 August 2020 and 4 November 2020 in relation to, among other things, the updates on the coalbed methane business (“**CMB**”) of the Group (collectively, referred to as the “**Announcements**”); and (ii) the annual report of the Company for the year ended 31 December 2020 (“**2020 Annual Report**”). Unless otherwise defined, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the Announcements and the 2020 Annual Report.

FURTHER UPDATES ON THE COALBED METHANE BUSINESS

Progress of exploration in respect of a new horizontal well in Area A

As disclosed in the 2020 Annual Report, one new horizontal well was drilled in Area A during the year ended 31 December 2020. However, most of the preparatory and planning works for the CBM project were delayed due to various factors including the outbreak of COVID-19 pandemic and the identification of appropriate engineering team, and the CBM project was only able to officially resume development and exploration in November 2020.

Despite the unfavourable weather conditions in Huaibei area, technical issues and the impact of COVID-19 pandemic, the drilling of the new horizontal well in Area A was completed in March 2021.

The Board is pleased to announce that on 4 August 2021, the horizontal well in Area A commenced to produce coalbed methane. As reported by the local exploration team of the Company, there is a sign showing that the volume of coalbed methane produced by the said horizontal well would increase gradually. The exploratory and production data obtained from the said horizontal well is important for the Company's preparation of the overall development proposal ("**ODP**") report and the development of the CBM business.

The Group is in the process of performing all necessary work so that the ODP Report can be completed and submitted to the Government Authorities as soon as possible. The Group is actively looking for qualified service providers that can help preparing and completing the ODP report. Up to the date of this announcement, the Group approached, and was in negotiation with, several ODP service providers for the preparation and completion of the ODP report.

In the meantime, the Group is actively seeking cooperation with neighbouring energy corporations for sharing key geographical data and engineering information to expedite the preparation of the ODP report.

New letter of intent for cooperation

As disclosed in the 2020 Annual Report, the Company, through its wholly-owned subsidiary, Canada Can-Elite Energy Limited ("**Can-Elite**"), entered into the production sharing contract ("**PSC**") with China United Coalbed Methane Corporation Limited ("**China United**"), a state-owned company which is wholly-owned by China National Offshore Oil Corporation authorised by the government of the PRC to partner with foreign companies to explore, develop and produce CBM assets. Pursuant to the PSC, Can-Elite is the operator of the Anhui CBM assets and holds 70% of participating interest in the PSC for a term of 30 years starting from 2008.

The Board is pleased to announce that in June 2021, China United entered into a letter of intent ("**Letter of Intent**") with a subsidiary of one of the largest trans-regional energy service enterprises in the PRC (the "**Cooperation Party**") for cooperation in respect of development and utilisation of coalbed methane from the Su'nán coalbed methane project of the Group in Anhui, the PRC. In accordance with the Letter of Intent, China United would supply the pilot production of gas from the Su'nán coalbed methane project to the Cooperation Party, subject to, among others, the development of a gas treatment centre near to the said horizontal well by the Group and China United and the construction of the connecting pipeline network by the Cooperation Party. The Letter of Intent is not legally binding and enforceable and any further cooperation is subject to negotiation on the terms of the formal agreement among the parties. The local exploration team of the Company considered that the cooperation would provide an opportunity to start with initial commercial sales, so that it would help demonstrating the commerciality of the Su'nán coalbed methane project which would be conducive to the preparation of the ODP report.

If there is any update on further development of the business of the Group, the Company will keep the Shareholders and potential investors fully informed by way of publishing voluntary announcement(s).

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Golden Century International Holdings Group Limited
Pan Jibiao
Chairman and Chief Executive Officer

Hong Kong, 11 August 2021

As at the date of this announcement, the executive Directors are Mr. Pan Jibiao (Chairman and Chief Executive Officer) and Ms. Shao Yanxia, the non-executive Director is Mr. Shiu Shu Ming, and the independent non-executive Directors are Mr. Lai Kin Keung, Mr. Yeung Chi Wai and Mr. Wong Man Hung Patrick.