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Sino Energy International Holdings Group Limited
中能國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1096)

**(1) RESIGNATION OF COMPANY SECRETARY AND
CHANGE OF THE AUTHORISED REPRESENTATIVES;
(2) PROPOSED ISSUE OF DEBENTURES; AND
(3) LEGAL PROCEEDINGS**

**RESIGNATION OF COMPANY SECRETARY AND CHANGE OF THE
AUTHORISED REPRESENTATIVE**

The Board hereby announces that Mr. Tsang Ho Yin (“**Mr. Tsang**”) has tendered his resignation as the company secretary of the Company and has ceased to act as the authorised representative of the Company as required under Rule 3.05 of the Listing Rules and an authorised representative of the Company for accepting on the Company’s behalf service of process or notice to be served on the Company in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (collectively, the “**Authorised Representatives**”) with effect from 19 July 2019.

The Board further announces that Ms. Cai Xiuman, an executive Director, has been appointed as the Authorised Representatives of the Company with effect from 23 July 2019.

The Company is in the process of identifying suitable candidate to fill the vacancy of the company secretary of the Company. Further announcement will be made by the Company in relation to such appointment as and where appropriate. The Board would like to take this opportunity to express its gratitude to Mr. Tsang for his valuable contributions to the Group during his tenure of office.

PROPOSED ISSUE OF DEBENTURES

On 23 July 2019, the Board considered and approved a resolution in relation to the issue of the Debentures with aggregate principal up to HK\$300 million. The principal terms of the Debentures are set out hereunder:

- Issuer : The Company
- Principal Amount : Up to HK\$300 million
- Issue Price : 100% of the principal amount of the Debentures issued or to be issued
- Maturity Date and Interest : The Debentures shall mature on the Maturity Dates.
- The Debentures shall bear interest from and including the issue date of the Debentures up to the Maturity Date or the date on which such Debentures are redeemed (whichever is earlier) at the Interest Rate of its outstanding principal amount and payable in arrears every 6 months.
- Subscriber(s) : The Debentures will only be issued to the professional investor (as defined in the Section 1 of Part 1 of Schedule 1 to the SFO) other than a connected person of the Company, its connected persons or any of their respective associates, or a resident of the Cayman Islands.
- Minimum subscription amount : Any subscription for the Debentures shall be made in amount of not less than HK\$1 million.
- Denomination : The Debentures are/will be issued in the denomination of HK\$100,000 each or integral multiple thereof.

- Status : The Debentures constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and each Debenture holder shall at all times rank pari passu with other Debenture holders and without any preference among themselves (save for different Maturity Dates). The payment obligations of the Company under the Debentures shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Listing : No application will be made for the listing of the Debentures on the Stock Exchange or any other stock exchanges.
- Transferability : The Debentures will be freely transferable except (a) during the period of seven days ending on the due date for any payment of any principal or interest on such Debentures; or (b) to a connected person of the Company, its connected persons or any of their respective associates, or to a resident of the Cayman Islands.
- Redemption on Maturity : The Company shall redeem the whole of the outstanding Debentures at the redemption amount equivalent to 100% of their outstanding principal amount together with any accrued but unpaid interest and other amounts owing thereon within 5 business days of the Maturity Date. The Debenture holders are not entitled to request the Company to, redeem the Debentures in whole or in part at its option prior to the Maturity Date except upon the occurrence of any of the events of default under the Subscription Agreement.

Events of Default : Any Debenture holder may give notice to the Company requiring the Company to redeem the whole (but not part) of the outstanding principal amount of the Debentures upon the occurrence of any of the following events and at any time thereafter:

- (A) Payment default: a default is made in the payment of the principal or interest, in respect of any of the Debentures when and as the same ought to be paid in accordance with the terms and conditions of the Debentures and such default continues for a period of 15 business days; or
- (B) Dissolution of the Company and Disposals: a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganization, the terms of which shall have previously been approved in writing by the Debenture holders; or
- (C) Encumbrances: an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Group (taken as a whole); or
- (D) Distress etc.: a distress, execution or seizure before judgment is levied or enforced upon or against a material part of the property of the Group (taken as a whole) and is not discharged within 60 days thereof; or

- (E) Bankruptcy: the Company is unable to pay its debts as and when they fall due or the Company shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganization or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors; or
- (F) Bankruptcy proceedings: proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganization or insolvency law and such proceedings shall not have been discharged or stayed within a period of 60 days.

Upon any such notice being given to the Company, the redemption amount being 100% of the principal amount of the outstanding Debentures together with interest accrued and other amounts owing thereon will become due and payable in the manner provided in the terms and conditions of the Debentures on the business day falling after ten business days of the date of such notice.

As at the date of this announcement, the Company has not identified any Subscriber in respect of the subscription for the Debentures or entered into any Subscription Agreement with any Subscriber, and no Debentures have been issued.

REASONS FOR THE ISSUE OF THE DEBENTURES AND USE OF THE PROCEEDS

The Company's principal business is manufacturing and sales of casual footwear, apparel and related accessories in the PRC. The Company also engages in operating gas stations and trading of grains.

The Company intends to use the net proceeds from the issue of the Debentures for the repayment of the existing debts and as the general working capital of the Group.

The Directors consider that raising funds by issuing Debentures provides an opportunity for the Company to repay the existing debts and enhance its working capital. The Directors consider that the issue of the Debentures is an appropriate means of raising additional capital for the Company since it will not have any dilution effect on the shareholding of the existing Shareholders. The Directors consider that the terms of the Debentures (including the Interest Rate) are fair and reasonable based on the current market conditions and the issue of the Debentures is in the interests of the Company and the Shareholders as a whole.

LEGAL PROCEEDINGS

On or about 20 June 2019, the Company received a petition (the “**Petition**”) from Mo Rong (the “**Petitioner**”) in the matter of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court of The Hong Kong Special Administrative Region (the “**High Court**”) under Companies Winding-up Proceedings No. 183 of 2019 that the Company may be wound up by the High Court on the ground that the Company is insolvent and unable to pay its debt. The winding up petition will be heard before the High Court at 9:30 a.m. on 14 August 2019.

The Petition was filed against the Company for failure to settle a sum of HK\$5,131,506.85, being the alleged outstanding amount owed by the Company to the Petitioner.

The Petitioner has instructed his solicitors to prepare and file the relevant documents to apply for the withdrawal of the winding up petition. Further announcement will be made as and when appropriate.

According to Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong), the effect of the Petition, unless and until it is dismissed or a validation order is sought, is that any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement of the winding up, shall, unless the court otherwise orders, be void.

The Company also wishes to remind shareholders of the Company and potential investors that whilst the Petition is outstanding, transfer of the Shares may be restricted as Hong Kong Securities Clearing Company Limited may at any time, and without notice, exercise its powers to temporarily suspend any of its services in respect of the Shares, including the suspension of acceptance of deposits of share certificates of the Company into the Central Clearing and Settlement System.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Sino Energy International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on Main Board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Debentures”	the debentures with aggregate principal up to HK\$300 million issued or to be issued by the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Interest Rate”	up to 8% per annum
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date(s)”	date(s) ranging from second to eighth anniversary of the issue date of the Debentures
“SFO”	Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	the subscriber(s) of the Debentures
“Subscription Agreement(s)”	the subscription agreement(s) to be entered into between the Subscriber and the Company in respect of the subscription for the Debentures
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board of
Sino Energy International Holdings Group Limited
Chen Jianbao
Chairman

Hong Kong, 23 July 2019

As at the date of this announcement, the executive Directors are Mr. Chen Jianbao, Ms. Cai Xiuman, Mr. Zhang Wenbin, Mr. Wang Qingshan and Mr. Zhu Tianxiang; and the independent non-executive Directors are Mr. Chen Jinzhong, Roy, and Mr. Wang Xianzhang and Mr. Chai Chung Wai.