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## **SOUTHERN ENERGY HOLDINGS GROUP LIMITED**

**南方能源控股集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1573)**

### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE**

This announcement is made by Southern Energy Holdings Group Limited (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **POTENTIAL DISPOSAL OF SHARES AND FRAMEWORK AGREEMENT**

The board of directors (the “**Directors**”) of the Company has been informed by its controlling shareholder, namely Lavender Row Limited (the “**Relevant Shareholder**”), that it has been approached by Bijie City Anfang Construction Investment (Group) Co., Ltd.\* (畢節市安方建設投資(集團)有限公司) (the “**Potential Purchaser**”) in respect of the Potential Purchaser’s desire to acquire up to 143,600,000 ordinary shares in the Company held by the Relevant Shareholder, representing approximately 20% of the entire issued share capital of the Company as at the date of this announcement (the “**Potential Disposal**”). A framework agreement was entered into on 26 May 2019 to provide for the framework and conditions upon which the Relevant Shareholder and the Potential Purchaser will negotiate the terms of the Potential Disposal (the “**Framework Agreement**”). Neither the price or the salient terms of the Potential Disposal have been agreed between the Relevant Shareholder and the Potential Purchaser. The Framework Agreement will remain effective for six months upon execution. If the Potential Purchaser fails to obtain the authorisations and consents from, and registration with, any government entity that are necessary for the signing of the definitive agreements within the term of the Framework Agreement, the Relevant Shareholder is entitled to terminate the Framework Agreement.

As at the date of this announcement, the Relevant Shareholder is interested in 241,214,000 shares of the Company, representing approximately 33.60% of the entire issued share capital of the Company.

The Potential Purchaser is a company incorporated under the laws of the People's Republic of China with limited liability, and whose ultimate controlling shareholder is the People's Government of Bijie City\* (畢節市人民政府) (the "**Bijie Government**"), which directs the work of people's government at the lower level, including the People's Government of Hezhang\* (赫章縣人民政府) (the "**Hezhang Government**"). As at the date of this announcement, the Hezhang Government is indirectly interested in 167,095,000 shares of the Company, representing approximately 23.27% of the entire issued share capital of the Company through Hezhang County Hongyi Construction Engineering Co., Ltd.\* (赫章縣宏誼建築工程有限責任公司) ("**Hezhang Hongyi**") and Hongyi Constructional Engineering Holdings Limited ("**Hongyi Constructions**"). Hezhang Hongyi, who is wholly-owned by the Hezhang Government, directly holds 34,558,000 shares of the Company and in turn wholly owns Hongyi Constructions, who directly holds 132,537,000 shares of the Company. Given the governing and ongoing relationship between the Bijie Government and the Hezhang Government, Hezhang Hongyi and Hongyi Constructions are considered parties acting in concert with the Potential Purchaser.

Accordingly, if the Potential Disposal eventually materialises, an obligation on the Potential Purchaser to make a mandatory general offer under the Takeovers Code for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) will be triggered.

## **MONTHLY UPDATE**

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

## **DEALING DISCLOSURE**

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement, being 6 June 2019.

As at the date of this announcement, the Company has 718,000,000 ordinary shares in issue and does not have other outstanding convertible securities, options and warrants. Save as disclosed above, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

Associates (as defined in the Takeovers Code and including, among others, persons who own or control 5% or more of the relevant securities) of the Company and the Potential Purchaser are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

## **RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

*“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.*

*There is no assurance that the Potential Disposal or any transactions referred to in this announcement will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under the Takeovers Code. The Potential Disposal may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).*

By Order of the Board  
**Southern Energy Holdings Group Limited**  
**Xu Bo**  
Chairman

Guiyang, People's Republic of China, 6 June 2019

*As at the date of this announcement, the Board comprises Mr. Xu Bo, Mr. Xiao Zhijun and Mr. Huang Youjun as executive Directors and Mr. Jiang Chenglin, Mr. Choy Wing Hang William, Mr. Lee Cheuk Yin Dannis and Mr. Fu Lui as independent non-executive Directors.*

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

\* For identification purposes only