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HAITIAN ENERGY INTERNATIONAL LIMITED

海天能源國際有限公司

(in provisional liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1659)

VOLUNTARY INFORMATION TERMINATION OF THE LETTER OF INTENT AND RECOVERY OF THE INTENTION MONEY

This announcement is made by Haitian Energy International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

TERMINATION OF THE LETTER OF INTENT AND RECOVERY OF THE INTENTION MONEY

References are made to the announcements of the Company dated 25 February 2019, 29 July 2019, 23 August 2019, 24 February 2020 and 25 May 2020 (the “**Announcements**”) in relation to a letter of intent entered into by a subsidiary (the “**Subsidiary**”) of the Company and certain independent third parties (the “**Vendors**”) on 15 January 2019 (the “**Letter of Intent**”), pursuant to which the Subsidiary intended to acquire a company established in the People’s Republic of China (the “**PRC**”) which holds certain forestry land use rights. As at the date of this announcement, a sum of RMB120,000,000 in aggregate was paid by the Subsidiary to the Vendors as intention money (the “**Intention Money**”).

After due and careful consideration of the current financial position of the Group and the current economic environment of the PRC, the board (the “**Board**”) of directors of the Company concluded that it is currently not an appropriate time for the Group to make a significant investment in the forestry industry in the PRC as stipulated under the Letter of Intent, especially given that such investment would, if materialized, be considered as engaging in a new business by the Group. Accordingly, on 29 July 2019, the Subsidiary entered into a termination agreement (the “**Termination Agreement**”) with the Vendors, pursuant to which the Subsidiary and the Vendors mutually agreed to terminate the Letter of Intent with the Intention Money to be fully refunded by the Vendors to the Subsidiary without interest in the following manner:

- (1) 30% of the Intention Money (equivalent to RMB36,000,000) to be refunded to the Subsidiary within 3 days upon the effective date of the Termination Agreement;
- (2) a further 30% of the Intention Money (equivalent to RMB36,000,000) to be refunded to the Subsidiary on or before 29 August 2019;
- (3) the remaining 40% of the Intention Money (equivalent to RMB48,000,000) to be refunded to the Subsidiary on or before 29 October 2019.

As of 11 June 2020, the Company has fully recovered the Intention Money. The Board believes that the full recovery of the Intention Money could alleviate the indebtedness and cash flow issues of the Group.

CONTINUED SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY

Trading in the shares of the Company on the Stock Exchange remain suspended until further announcement(s) to be made by the Company in accordance with the Listing Rules and the Inside Information Provisions.

By Order of the Board
HAITIAN ENERGY INTERNATIONAL LIMITED
(in provisional liquidation)

Lin Yang
Chairman

Fujian Province, the PRC, 11 June 2020

As at the date of this announcement, the Chairman and executive director of the Company is Mr. Lin Yang, the other executive directors of the Company are Mr. Chen Congwen and Mr. Wang Xiaoyun; and the independent non-executive directors of the Company are Mr. Xie Zuomin and Mr. Zhang Gong.