

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JINTAI ENERGY HOLDINGS LIMITED

金泰能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2728)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE SALE AND PURCHASE AGREEMENT

On 7 August 2020 (after trading hour), the Company, Beijing Century and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and Beijing Century has agreed to acquire the Equity Interest, and the Company has agreed to issue the Bond to the Vendor.

LISTING RULES IMPLICATIONS

The Vendor is the uncle and an associate of Mr. Chen Jinle, an executive Director, a substantial shareholder and the chairman of the Company. Therefore the Vendor is a connected person of the Company and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratio applicable to the Sale and Purchase Agreement is more than 5%, the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond (which constitutes a financial assistance to the Company) are subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 7 August 2020 (after trading hour), the Company, Beijing Century and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell, and Beijing Century has agreed to acquire, the Equity Interest, and the Company has agreed to issue the Bond to the Vendor. The principal terms are set out below:

- Date: 7 August 2020
- Parties:
1. The Vendor as vendor;
 2. Beijing Century as purchaser; and
 3. the Company as bond issuer
- Consideration: RMB23,481,678.65 to be settled by way of issue of the Bond
- Subject matter: 100% of the equity interest in the Target Company
- There is no restriction on the subsequent sale of the Equity Interest.
- Conditions precedent: Completion shall be subject to the fulfilment of the following conditions precedent:
- (a) the Purchaser and the Company having complied with all requirements under the applicable laws and the Listing Rules;
 - (b) the Independent Shareholders having passed, inter alia, an ordinary resolutions at the EGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond;
 - (c) the Purchaser having completed due diligence on legal, financial, technical aspects and business of the Target Company and is satisfied with the results;
 - (d) the Purchaser and the Company having obtained all necessary approvals for entering into the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond;
 - (e) the representations and warranties given by the Vendor in the Sale and Purchase Agreement remaining true, accurate and not misleading; and
 - (f) the Target Company does not encounter any material adverse change on or before the Completion Date.

If any of the above conditions precedent is not satisfied or waived by 7 November 2020, the Sale and Purchase Agreement shall be terminated.

Termination: The Purchaser may terminate the Sale and Purchase Agreement if the Vendor is in breach of any representation and warranty or violate any material terms therein.

Completion: Completion shall take place on the 3rd Business Day after satisfaction of the conditions precedent (or such other date as the parties may agree).

Terms of the Bond

Principal amount: RMB 23,481,678.65

Interest rate: 5% per annum

Maturity date: The date falling on the third anniversary of the date of issue of the Bond

Transferability of the Bond: The Bond shall be transferrable.

Early redemption of the Bond: The Company may early redeem the Bond at any time before the maturity date.

Security of the Bond: The Bond is unsecured.

Basis of consideration

The consideration represents the net asset value of the Target Company as at 30 June 2020. The terms of the Bond were determined after arm's length negotiation among the parties with reference to the net asset value of the Target Company, the current market situation and the prospects of the business of the Target Company. The Company was not provided with the information on the original acquisition costs of the Target Company to the connected person.

INFORMATION OF THE GROUP, THE PURCHASER AND THE VENDOR

As at the date of this announcement, the Group is principally engaged in energy trading, including mainly trading of fuel oil and kerosene and speaker manufacturing and trading business. The Purchaser is an investment holding company.

The Vendor is a PRC resident and a businessman.

INFORMATION OF THE TARGET COMPANY

The Target Company was incorporated in the PRC. It is principally engaged in the transportation of hazardous products, logistics consultancy, logistics agency, chemical products, vehicle part sales, vehicle leasing.

Below is the financial information of the Target Company for each of the two years ended 31 December 2018 and 2019 as set out in the unaudited accounts of the Target Company compiled in accordance with generally accepted accounting principles of the PRC.

	For the year ended 31 December	
	2019	2018
Net profit (loss) before taxation	RMB58,976	RMB34,496
Net profit (loss) after taxation	RMB44,232	RMB27,841

As at 30 June 2020, the unaudited total assets value and unaudited net assets value of the Target Company were approximately RMB85,155,424 and RMB23,481,678.65 respectively.

REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Directors believe that the acquisition of the Target Company can complement the Company's energy trading business. Logistics arrangement is an important part of energy trading. The benefits of owning a logistics services company are that it can enhance the safety of transportation, control delivery time, control cost, and create synergy effect.

The Directors are of the view that the terms of the Sale and Purchase Agreement and the Bond are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATIONS

The Vendor is the uncle and an associate of Mr. Chen Jinle, an executive Director, a substantial shareholder and the chairman of the Company. Therefore the Vendor is a connected person of the Company and the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Mr. Chen Jinle has abstained from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Bond.

As the highest percentage ratio applicable to the the Sale and Purchase Agreement is more than 5%, the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond (which constitutes a financial assistance to the Company) are subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder and the Bond.

APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Company has appointed Merdeka Corporate Finance Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond.

GENERAL

The Company will convene an EGM to consider, and if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond. Mr. Chen Jinle is personally interested in 9,020,000 shares of the Company and is interested in another 892,768,273 shares of the Company through Oriental Gold Honour Joy International Holdings Limited, a company wholly-owned by him, representing an aggregate of approximately 20.24% of the entire issued share capital of the Company. Mr. Chen Jinle, Oriental Gold Honour Joy International Holdings Limited and their associates will abstain from voting at the EGM. Save as the aforesaid, to the best knowledge of the Directors, no other Shareholders are required to abstain at the EGM.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement; (ii) the Bond; (iii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) a notice of the EGM; and (vi) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 7 September 2020 as more time is required to incorporate the relevant information into the circular.

Completion of the Sale and Purchase Agreement is subject to the satisfaction of the conditions precedent, which may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Beijing Century”	Beijing Century Energy Co., Ltd* (北京金寶世紀能源有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Bond”	RMB23,481,678.65 5% bond due 2023 issued by the Company
“Business Day”	a day (other than a Saturday, Sunday or a public holiday in Hong Kong or the PRC) on which commercial banks are open for general business in Hong Kong
“Company”	Jintai Energy Holdings Limited 金泰能源控股有限公司, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (stock code: 2728)

“Completion Date”	the date of completion of the Sale and Purchase Agreement, being the 3rd Business Day after satisfaction of the conditions precedent (or such other date as the parties may agree)
“Director”	a director of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond
“Equity Interest”	100% of the equity interest of the Target Company
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Tche Heng Hou Kevin, Mr. Gao Han and Mr. Mak Tin Sang, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond
“Independent Financial Adviser”	Merdeka Corporate Finance Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond
“Independent Shareholders”	the Shareholders other than (i) Mr. Chen Jinle and his associates; (ii) any other Shareholders who have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and the issue of the Bond
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 7 August 2020 entered into among the Vendor, Beijing Century and the Company
“Shareholder”	a holder of ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” Lijin Shuntong Logistics Company Limited* (利津順通物流有限公司), a company incorporated in the PRC

“Vendor” Chen Qiusan* (陳秋叁), a PRC resident and the uncle of Mr. Chen Jinle

By order of the Board
Jintai Energy Holdings Limited
Yuan Hongbing
Executive Director

Hong Kong, 7 August 2020

As at the date of this announcement, the Company has three executive Directors, namely Mr. Chen Jinle (Chairman), Mr. Lin Caihuo and Mr. Yuan Hongbing, one non-executive Director, namely Mr. Wang Shoulei, and three independent non-executive Directors, namely, Mr. Tche Heng Hou Kevin, Mr. Gao Han and Mr. Mak Tin Sang.

* *For identification purpose only*