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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)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING
IN RESPECT OF POSSIBLE ACQUISITION

This announcement is made by Sino Energy International Holdings Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with updated information in relation to the latest business development of the Group.

POSSIBLE ACQUISITION

The Board is pleased to announce that on 24 September 2020, the Company, as the purchaser, and Ms. Zhao Xin (“**Vendor A**”), Mr. Wu Yalung (“**Vendor B**”) and Mr. Zhao Qiang (“**Vendor C**”) and Mr. Li Quanfa (“**Vendor D**”, together with Vendor A, Vendor B and Vendor C are collectively referred to as the “**Vendors**”) entered into the non-legally binding memorandum of understanding (“**MOU**”), pursuant to which the Company intends to acquire and the Vendors intend to dispose of the entire equity interest in Beijing Zhongxing Medical Equipment Co., Ltd.* (北京眾杏醫療設備有限公司) (the “**Target Company**”) (the “**Possible Acquisition**”).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at the date of this announcement.

FORMAL AGREEMENT

The Company and the Vendors shall enter into a formal sale and purchase agreement in relation to the Possible Acquisition within 180 days upon the signing of the MOU.

DUE DILIGENCE

The Company will be entitled to conduct the due diligence of the Target Company (including but not limited to the business, litigation and financial aspects).

EXCLUSIVITY PERIOD

The Vendors agreed that they shall not engage in any discussion, negotiation or arrangement or enter into any agreement in relation to the disposal of the Target Company with any other party during the 90 days after the signing of the MOU (the “**Exclusivity Period**”), and the Exclusivity Period may be extended upon written agreement of the Vendors and the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the People’s Republic of China (the “**PRC**”) with limited liability on 25 May 2016 and has a registered share capital of RMB29,000,000. It is owned by Vendor A, Vendor B, Vendor C and Vendor D as to 41.38%, 34.48%, 20.69% and 3.45%, respectively. It is a medical service company principally involves in the provision and sale of medical equipment and medical consumables for the areas of radiology, ultrasound, laboratory, pathology, in vitro diagnostic reagent products and biological reagents, etc.

REASONS FOR AND BENEFITS OF THE MOU

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.

To diversify the business of the Group and to increase the Group's source of revenue, the Company has been seeking various development opportunities. The Board is optimistic for the prospect of medical service industry in the PRC. The Board is of the view that the MOU enables the Company the opportunities to develop the above industry by leveraging on the Target Company's strength, resources and expertise. The Board believes that the MOU offers a good opportunity to the Group to diversify its business into the above industries and to broaden the Group's revenue base in the future.

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

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

Hong Kong, 24 September 2020

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. Chai Chung Wai.

* *For identification purpose only*