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STATE ENERGY GROUP INTERNATIONAL ASSETS HOLDINGS LIMITED

國能集團國際資產控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 918)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHT SHARES
FOR EVERY ONE (1) SHARE
HELD ON RECORD DATE**

Reference is made to the prospectus (the “**Prospectus**”) of State Energy Group International Assets Holdings Limited (the “**Company**”) dated 2 August 2021 in relation to the Rights Issue on the basis of three (3) Rights shares for every one (1) Share held on the Record Date and the announcement of the Company dated 18 August 2021 in relation to the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

**RESULTS OF THE RIGHTS ISSUE, THE COMPENSATORY
ARRANGEMENTS AND THE UNDERWRITING AGREEMENT**

The Board is pleased to announce that as all the conditions set out in the Placing Agreement and the Underwriting Agreement had been fulfilled and the Placing Agreement and the Underwriting Agreement were not terminated by the Placing Agent and any of the Underwriters respectively, the Rights Issue became unconditional on Monday, 23 August 2021.

As at 4:00 p.m. on Monday, 16 August 2021, being the Latest Time for Acceptance, a total of 9 valid applications had been received for a total of 311,970,716 Rights Shares, representing 54.4% of the total number of Rights Shares offered under the Rights Issue. Pursuant to the Irrevocable Undertaking, Always Profit has subscribed for 242,161,494 Rights Shares provisionally allotted to it. The remaining 261,816,946 Unsubscribed Rights Shares, representing approximately 45.6% of the total number of Rights Shares offered under the Rights Issue, were subject to the Compensatory Arrangements.

As at 5:00 p.m. on Monday, 23 August 2021, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, a total of 32,460,000 Unsubscribed Rights Shares (the “**Placing Shares**”, and each, a “**Placing Share**”) were placed to two placees at the placing price of HK\$0.35 per Placing Share, which is the same as the Subscription Price. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its connected persons and not a connected person of the Company; (ii) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is not a party acting in concert with Always Profit and party acting in concert with it; and (iii) none of the placees has become a substantial shareholder of the Company (as defined under the Listing Rules) upon completion of the Placing.

A total of 344,430,716 Shares, being the aggregate number of 311,970,716 subscribed Rights Shares and 32,460,000 Placing Shares, had been accepted, applied for or placed, representing approximately 60.0% of the total number of Rights Shares offered under the Rights Issue. The remaining 229,356,946 Untaken Rights Shares, representing approximately 40.0% of the total number of Rights Shares available for subscription under the Rights Issue, were subject to taken up by the Underwriters in accordance with the terms of the Underwriting Agreement.

Pursuant to the Underwriting Agreement, up to 229,383,362 Untaken Rights Shares will be firstly taken up by Always Profit. Any Untaken Rights Shares in excess of 229,383,362 Untaken Rights Shares shall be underwritten by GLAM Capital. After the results of the subscription of the Rights Shares and the Placing, there is a total of 229,356,946 Untaken Rights Shares, which is less than the maximum number of Untaken Rights Shares that will be firstly taken up by Always Profit. Therefore, Always Profit took up all the 229,356,946 Untaken Rights Shares in accordance with the terms of the Underwriting Agreement and GLAM Capital was not required to take up any Untaken Rights Shares.

The gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) were approximately HK\$200.8 million and the net proceeds from the Rights Issue after deducting the expenses were approximately HK\$197.8 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$160.5 million for repayment of the Shareholder's Loan to relieve the financial burden of the Company; and (ii) approximately HK\$37.3 million for repayment of bank borrowings and general working capital of the Group.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structures of the Company immediately before and after completion of the Rights Issue (the "Completion"):

	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Always Profit (<i>Note 1</i>)	80,720,498	42.2	552,238,938	72.2
Wenxi Investment (<i>Note 2</i>)	5,165,354	2.7	5,165,354	0.7
Placees	—	—	32,460,000	4.2
Other public Shareholders	<u>105,376,702</u>	<u>55.1</u>	<u>175,185,924</u>	<u>22.9</u>
Total	<u>191,262,554</u>	<u>100.0</u>	<u>765,050,216</u>	<u>100.0</u>

Notes:

1. Always Profit is wholly owned by Mr. Zhang who is the Chairman and an executive Director
2. Wenxi Investment is wholly owned by Mr. Tian, who is an executive Director, and ceased to be presumed acting in concert with Always Profit after completion of the Rights Issue.

DESPATCH OF SHARE CERTIFICATES

The share certificates for the fully-paid Rights Shares are expected to be posted by Monday, 30 August 2021 to those entitled thereto by ordinary post at their own risks.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARE

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 31 August 2021.

By order of the Board
State Energy Group International Assets Holdings Limited
Zhang Jinbing
Chairman

Hong Kong, 27 August 2021

As at the date of this announcement, the executive Directors are Mr. Zhang Jinbing, Mr. Tian Wenxi and Mr. Wu Tingjun; and the independent non-executive Directors are Mr. Chow Hiu Tung, Mr. Zhao Hangen and Ms. Yang Yanli.

The Directors jointly and severally accept full responsibility for the accuracy of the 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.