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If you have sold or transferred all your shares in Jintai Energy Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED AMENDMENT TO THE CONVERTIBLE NOTES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at Units 1302–3, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Friday, 5 May 2023 at 3:00 p.m. is set out on pages 23 to 24 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

19 April 2023

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DEFINITIONS

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

“Announcements (Convertible Notes)”	the announcements of the Company dated 29 May 2019, 11 June 2019, 2 July 2019, 5 July 2019, 17 July 2019, 16 July 2020, 3 November 2020, 4 August 2021, 31 August 2021, 20 October 2021 and 20 March 2023
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Jintai Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion Period”	the period from the day immediately following 17 July 2019 (the date of issue of the Convertible Notes) and up to 4 p.m. (Hong Kong time) on the Maturity Date
“Conversion Price”	the price at which the Convertible Notes can be converted into Conversion Shares
“Conversion Shares”	the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Notes
“Convertible Notes”	the Convertible Notes in the new aggregate principal amount of HK\$123,290,764.56 issued by the Company to the Subscriber pursuant to the Subscription Agreement (which was subsequently transferred to the New Subscriber)
“Directors”	the directors of the Company
“EGM Notice”	the notice convening the EGM which is set out on pages 23 to 24 of this circular
“EGM”	the extraordinary general meeting of the Company to be held at Units 1302-3, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Friday, 5 May 2023, at 3:00 p.m. the notice of which is set out on pages 23 to 24 of this circular, or any adjournment thereof
“First Supplemental Deed”	the supplemental deed of Instrument dated 16 July 2020 entered into among the Company and the New Subscriber in connection with the amendment set out in the circular dated 8 October 2020

DEFINITIONS

“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Lin, Mr. Chen and Mr. Han
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	instrument of the Convertible Notes which contains the terms and conditions of the Convertible Notes
“Latest Practicable Date”	14 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the due date of redemption of the Convertible Notes
“Mr. Chen”	Mr. Chen Jinle, the sole Shareholder of Oriental Gold, a substantial Shareholder
“Mr. Han”	Mr. Han Jinfeng, the chairman of the Board and an executive Director
“Mr. Lin”	Mr. Lin Caihuo, an executive Director and a substantial Shareholder
“New Subscriber”	Qilu International Funds SPC (for the account and on behalf of Zhongtai Dingfeng Classified Fund SP), an exempted segregated portfolio company incorporated in the Cayman Islands with limited liability, which is ultimately controlled by the Stated-owned Assets Supervision and Administration Commission of Shandong Provincial Government (山東省人民政府國有資產監督管理委員會)
“Oriental Gold”	Oriental Gold Honour Joy International Holdings Limited, a company incorporated in the British Virgin Islands which is wholly owned by Mr. Chen, and is a substantial Shareholder
“Proposed Amendment”	has the meaning ascribed to it under the paragraph headed “Proposed Amendment to the Convertible Notes” in the Letter from the Board of this circular

DEFINITIONS

“Second Supplemental Deed”	the second supplemental deed of Instrument dated 4 August 2021 entered into among the Company and the New Subscriber in connection with the amendment set out in the circular dated 4 October 2021
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.00125 each in the share capital of the Company
“Share Charges”	the charges over 928,284,839 Shares and 892,768,273 Shares executed by Mr. Lin and Oriental Gold, respectively, in favour of the Subscriber as security for the obligations under the Convertible Notes
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate for the issuance of the Conversion Shares under the amended terms of the Convertible Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Win Win International Strategic Investment Funds SPC, (for the account and on behalf of Win Win Stable No. 1 Fund SP), an exempted segregated portfolio company incorporated in the Cayman Islands with limited liability
“Subscription Agreement”	the subscription agreement dated 29 May 2019 entered into among the Company, the Subscriber and the Guarantors relating to the subscription of the Convertible Notes
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules
“Third Supplemental Deed”	the third supplemental deed of Instrument entered into between the Company and the New Subscriber on 20 March 2023 in connection with the Proposed Amendment
“Transaction Documents”	the Subscription Agreement, the First Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed, the Instrument and the certificate issued to each noteholder in respect of its registered holding of the Convertible Notes
“%”	per cent.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Han Jinfeng (*Chairman of the Board*)
Mr. Yuan Hongbing (*Chief Executive Officer*)
Mr. Lin Caihuo

Non-executive Director:

Mr. Chen Yunwei

Independent Non-executive Directors:

Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Mr. Jiang Hao

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Suites 2601–2603, 26/F
Shui On Centre
6–8 Harbour Road
Wan Chai
Hong Kong

19 April 2023

To all Shareholders

Dear Sir or Madam,

**PROPOSED AMENDMENT TO THE CONVERTIBLE NOTES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide Shareholders with information in connection with the proposals at the EGM to amend the Convertible Notes and to give you the EGM Notice.

LETTER FROM THE BOARD

PROPOSED AMENDMENT TO THE CONVERTIBLE NOTES

Reference is made to the Announcements (Convertible Notes).

As disclosed in the announcement of the Company dated 20 March 2023, the Company and the New Subscriber entered into the Third Supplemental Deed. Pursuant to the Third Supplemental Deed, the parties conditionally agreed to:

- (a) all accrued and unpaid interest up to 18 July 2022 in the sum of HK\$12,337,857.56 shall be aggregated with the original principal amount of the Convertible Notes, i.e. HK\$110,952,907, totalling HK\$123,290,764.56, which is treated as the new outstanding principal amount;
- (b) from 19 July 2022 onwards, interest shall be accrued at the rate of 8.00 per cent. (8.00%) per annum;
- (c) extend the Maturity Date to 17 July 2025 (or, if that is not a Business Day, the first Business Day thereafter) and extend the end of the Conversion Period to 4:00 p.m. (Hong Kong time) on the extended Maturity Date; and
- (d) the interest payment date shall be 17 July 2025 (or, if that is not a Business Day, the first Business Day thereafter)

(collectively, the “**Proposed Amendment**”).

Save for the above, other terms of the Transaction Documents remain the same.

To the best of the Directors’ knowledge and having made reasonable enquiries, the New Subscriber and its ultimate beneficial owner are parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules). In the event the Convertible Notes are transferred to a connected person of the Company, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

Conditions Precedent

The Proposed Amendment is subject to the fulfillment of the following conditions precedent:

- (a) the compliance of all requirements under the Listing Rules and the Takeovers Code or otherwise of the Stock Exchange and the SFC in relation to the Third Supplemental Deed and the transactions contemplated thereunder;
- (b) the Board having passed all necessary resolutions in approving, among other things, the Third Supplemental Deed and the transactions contemplated thereunder;
- (c) the Company having obtained all necessary approvals and consents from any government or regulatory authority or any other persons (including shareholders’ approvals), including the listing approval and the approval to amend the terms of the Convertible Notes to be granted by the Stock Exchange, and the completion of all

LETTER FROM THE BOARD

filings with any government or regulatory authority required for the execution of the Third Supplemental Deed and/or the performance of its obligations thereunder by the Company;

- (d) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject to conditions to which neither the Company nor the New Subscriber objects) listing of, and the permission to deal in, the Conversion Shares under the Instrument (as supplemented by the Third Supplemental Deed) upon exercise by the New Subscriber of the Conversion Rights; and
- (e) the New Subscriber having obtained all the approvals in respect of the execution of the Third Supplemental Deed.

If the conditions precedent have not been fulfilled on or before 30 June 2023 or such other date as may be agreed in writing between the Company and the New Subscriber, the Third Supplemental Deed will lapse and become null and void and the parties will be released from all obligations thereunder, save for liabilities for any antecedent breaches hereof. In such circumstances, the New Subscriber may demand the Company to redeem the outstanding principal and the interest accrued under the Convertible Notes immediately. As at the Latest Practicable Date, conditions (b) and (e) have been satisfied.

Outstanding amount

Immediately before the execution of the Third Supplemental Deed, the principal amount of the Convertible Notes was HK\$110,952,907. Pursuant to the Third Supplemental Deed, all accrued and unpaid interest up to 18 July 2022 in the sum of HK\$12,337,857.56 shall be aggregated with the principal amount of the Convertible Notes and be treated as part of the principal. Therefore, the total outstanding principal amount under the Convertible Notes upon the Third Supplemental Deed becoming effective is HK\$123,290,764.56. The outstanding interest as at the Latest Practicable Date is HK\$7,397,445.87.

Conversion price

The Conversion Price remains to be HK\$0.134 per Share. The Conversion Price represents:

- (a) a premium of approximately 74.0% to the closing price of HK\$0.077 per Share on the date of the Third Supplemental Deed; and
- (b) a premium of approximately 70.9% to the average closing price of HK\$0.0784 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Third Supplemental Deed.

LETTER FROM THE BOARD

Guarantee

The guarantee and other obligations of the Guarantors under the Instrument remain fully effective and are not released or diminished by any provision of the Third Supplemental Deed.

Mr. Lin is an executive Director and a substantial Shareholder, holding 928,284,839 Shares, representing approximately 20.84% of the entire issued share capital of the Company as at the Latest Practicable Date. Mr. Lin is a connected person of the Company.

Mr. Chen is the sole Shareholder of Oriental Gold, a substantial shareholder of the Company who holds 892,768,273 Shares, representing approximately 20.04% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Chen also personally holds 23,340,000 Shares, representing approximately 0.52% of the issued share capital of the Company as at the date of this announcement.

Mr. Han is the Chairman and an executive Director, a merchant who principally engages in the energy industry.

Mr. Han is a cousin of Mr. Chen. He does not hold any Shares as at the Latest Practicable Date. Mr. Han is a connected person of the Company.

The provision of guarantee by Mr. Lin, Mr. Chen and Mr. Han constitutes connected transactions under Chapter 14A of the Listing Rules. Nevertheless, since the guarantees are on normal commercial terms or better and it is not secured by the assets of the Group, they are fully exempt under Rule 14A.90 of the Listing Rules.

Security of the Convertible Notes

All Share Charges remain fully effective and are not released or diminished by any provision of the Third Supplemental Deed.

Specific Mandate

The Conversion Shares will be issued under the Specific Mandate. An EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the Proposed Amendment and the grant of the Specific Mandate. Mr. Chen, Oriental Gold and Mr. Lin, all being substantial Shareholders, provided guarantees and securities on the Convertible Notes. Therefore, they are required to abstain from voting at the EGM in respect of the Third Supplemental Deed and the Specific Mandate. Save for the aforesaid, to the best of the Directors' knowledge, information and belief, no other Shareholder has an interest in the Third Supplemental Deed and the Specific Mandate that is materially different from the other Shareholders. Therefore, no other Shareholder is required to abstain from voting at the EGM in respect of the Third Supplemental Deed and the Specific Mandate.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE CONVERTIBLE NOTES (AS AMENDED BY THE FIRST SUPPLEMENTAL DEED, THE SECOND SUPPLEMENTAL DEED AND THE THIRD SUPPLEMENTAL DEED)

Subject to the fulfilment of the conditions precedent of the Third Supplemental Deed, the principal terms of the Convertible Notes (as amended by the First Supplemental Deed, the Second Supplemental Deed and the Third Supplemental Deed) will be as follows:

- Principal Amount:** HK\$123,290,764.56
- Form and Denomination:** The Convertible Notes are issued in registered form and will be in denominations of HK\$1,000,000 each (unless the amount remaining on exercise of the conversion rights or in consequence of any adjustment to the terms of the Instrument shall be less than HK\$1,000,000).
- Issue Price:** The issue price was the original principal amount of HK\$110,952,907.
- Coupon:** During the period from the date of issue of the Convertible Notes on 17 July 2019 and up to 18 July 2022, the Convertible Notes bore interest at the rate of ten (10) per cent per annum. Pursuant to the Third Supplemental Deed, all accrued and unpaid interest in the sum of HK\$12,337,857.56 shall be aggregated with the original principal amount of the Convertible Notes, i.e. HK\$110,952,907, totalling HK\$123,290,764.56. From 19 July 2022 onwards and until the Convertible Notes are fully converted or redeemed and cancelled, the Convertible Notes shall bear interest at the rate of eight (8) per cent per annum, which shall be payable by the Company in arrears on the Maturity Date. The interest period shall commence on 19 July 2022 and up to and including the Maturity Date.
- Maturity Date:** 17 July 2025 (or, if that is not a Business Day, the first Business Day thereafter)
- Transferability:** The Convertible Notes shall be transferable by a noteholder to any person, in whole or in part, without obtaining prior written consent from the Company save for a connected person of the Company unless with the consent of the Stock Exchange. The Convertible Notes may be transferred in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount).
- Voting:** The noteholder will not be entitled to attend or vote at any general meetings of the Company by reason only of being the holder of the Convertible Notes.

LETTER FROM THE BOARD

Ranking of the
Convertible Notes and
the Conversion Shares:

The Convertible Notes shall, upon their issuance, constitute a direct, unconditional, secured and unsubordinated obligation of the Company and rank pari passu and without preference among themselves. The Conversion Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares.

Redemption:

By Maturity

On the Maturity Date, the Company shall redeem any principal amount of the Convertible Notes which remains outstanding and not previously redeemed or converted into Conversion Shares by paying to each noteholder at 100% of the outstanding principal amount of the Convertible Notes held by such noteholder, plus accrued interest.

By Purchase

The Company or any of its subsidiaries may at any time and from time to time purchase the Convertible Notes at any price as agreed between the Company or such of its subsidiaries and the relevant noteholder. Any purchase by tender shall be made available to all noteholders alike.

Early Redemption by Company

The Company shall be entitled at its sole discretion, by giving not less than 5 days' notice (the "**Early Redemption Notice**") to the noteholders, to redeem all or part of the outstanding Convertible Notes at the principal amount of the outstanding Convertible Notes at any time after the Issue Date together with interest accrued to the date fixed for redemption as set out in the Early Redemption Notice. The Early Redemption Notice, once delivered shall be irrevocable unless the noteholder consents to its withdrawal.

LETTER FROM THE BOARD

Occurrence of Event of Default

If any of the events of default occurs, the noteholder may give notice to the Company that the Convertible Notes are, and it shall on the giving of such notice immediately become, due and payable at its principal amount together with all accrued interest calculated up to and including the date of repayment and all other sums payable under the Convertible Notes. Upon the redemption of the full outstanding principal amount of the Convertible Notes, the right of the noteholders to convert the Convertible Notes shall be extinguished and released.

Conversion Rights:

The conversion rights attached to the Convertible Notes shall only be exercisable so long as, among others, (i) it will not result in the Company's non-compliance with the minimum public shareholding requirement under the Listing Rules and/or other provisions of the Listing Rules; and (ii) it does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the noteholder and any parties acting in concert with it (as defined under the Takeovers Code).

The Conversion Period shall end at 4:00 p.m. on the Maturity Date.

Conversion Price:

HK\$0.134 per Conversion Share, subject to adjustment.

LETTER FROM THE BOARD

Adjustment mechanism
of the Conversion
Price:

- (i) *Consolidation or sub-division of Shares:* If and whenever the Shares by reason of any consolidation, sub-division, redenomination or re-classification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A = the nominal amount of one Share immediately after such alteration; and

B = the nominal amount of one Share immediately before such alteration.

Each of such adjustment shall be effective from the close of business in Hong Kong on the day the alteration takes effect.

- (ii) *Capitalisation of profits:* If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{(C+D)}$$

where:

C = the aggregate nominal amount of the issued Shares immediately before such issue; and

D = the aggregate nominal amount of the Shares issued in such capitalization.

Each of such adjustment shall be effective on the date of issue of such Shares or (if the record date is fixed therefore) immediately after the record date for such issue.

LETTER FROM THE BOARD

(iii) *Capital Distribution:* If and whenever the Company shall make any capital distribution (except where, and to the extent that, the Conversion Price falls to be adjusted under adjustment event (ii) above) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{(E-F)}{E}$$

where:

E = the market price of one Share on the date on which the capital distribution or, as the case may be, the grant is publicly announced; and

F = the fair market value on the day of such announcement, as determined in good faith by the bank appointed by the Company or the auditors of the Company for the time being, of the portion of the capital distribution or of such rights which is attributable to one Share;

Provided that:

- (a) if in the opinion of the bank to be appointed by the Company, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine, and in such event the above formula shall be construed as if F meant, the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and
- (b) this adjustment event shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each of such adjustment shall be effective (if appropriate retroactively) from the date the distribution is actually made or if a record date is fixed therefore, immediately after the record date for the capital distribution or grant.

LETTER FROM THE BOARD

(iv) *Rights issue, options and warrants:* If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights issue, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the date of issue of such Shares or issue or grant of such option, warrants or other rights or where a record date is fixed, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be. Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the noteholder (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Convertible Notes in full on the day immediately preceding the record date for such offer or grant.

LETTER FROM THE BOARD

(v) *Convertibles:*

- (a) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day (whichever is the earlier) of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

LETTER FROM THE BOARD

- (b) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in event (a) above are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the maximum number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights issue or capitalization issues and other events normally giving rise to adjustment of conversion or exchange terms.

LETTER FROM THE BOARD

For the purposes of this adjustment event, the “total Effective Consideration” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) Shares issued at more than 10% discount to market price: If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by a fraction of which the numerator is the number of Shares in issue immediately before such issue plus the number of Shares which the aggregate amount receivable for the issue would purchase at such market price per Share and the denominator is the number of Shares in issue immediately before such issue plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.

LETTER FROM THE BOARD

(vii) Shares where total Effective Consideration per Share is issued more than 10% discount on market price: If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator shall be the total Effective Consideration per Share and the denominator shall be such market price. Each such adjustment shall be effective (if appropriate retroactively) from the date of issue of such Shares. For the purpose of this adjustment event, “total Effective Consideration” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “total Effective Consideration per Share” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

The Company will publish an announcement in the event that there is an adjustment to the Conversion Price.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any other equity fund raising exercise in the 12 months immediately preceding the date of the Third Supplemental Deed.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of the Shares, based on the Conversion Price and assuming full conversion of the Convertible Notes at the Conversion Price, the Convertible Notes will be convertible into 920,080,332 Conversion Shares, representing approximately 20.65% of the issued share capital of the Company as at the Latest Practicable Date and approximately 17.12% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

Assuming no new Shares are issued before completion, the share capital and shareholding structure of the Company as at (i) the Latest Practicable Date and (ii) upon full conversion of the Convertible Notes into Conversion Shares (assuming there is no other change in the shareholding structure) are as follows. The percentages may not add up to 100% due to rounding:

	Shareholding as at the Latest Practicable Date		Shareholding upon full conversion of the Convertible Notes	
	<i>Approximate Number of shares held</i>	<i>% of Shares in issue</i>	<i>Approximate Number of shares held</i>	<i>% of enlarged Shares</i>
Mr. Lin Caihuo	928,284,839	20.84%	928,284,839	17.27%
Mr. Chen Jinle	916,108,273	20.56%	916,108,273	17.04%
Mr. Yuan Hongbing	13,796,000	0.31%	13,796,000	0.26%
Hong Kong Moral Co-Operation Investment Limited	742,503,480	16.67%	742,503,480	13.81%
Super Wise International Investment Limited	355,390,000	7.98%	355,390,000	6.61%
New Subscriber	–	—	920,080,332	17.12%
Other public Shareholders	<u>1,498,938,296</u>	<u>33.65%</u>	<u>1,498,938,296</u>	<u>27.89%</u>
Total	<u><u>4,455,020,888</u></u>	<u><u>100.00%</u></u>	<u><u>5,375,101,220</u></u>	<u><u>100.00%</u></u>

REASONS FOR ENTERING INTO THE THIRD SUPPLEMENTAL DEED

The Company needs more time to arrange funding to redeem the Convertible Notes. Notwithstanding the end of all controls, restrictions and precautionary measures against the prolonged COVID-19 pandemic, the risk of stagflation in the global economy is expected to rise and the overall market conditions remain uncertain. The Group expects to face various challenges such as continued volatility in oil price caused by the continuation of the military conflict between Ukraine and Russia and the economic uncertainty subsequent to the prolonged COVID-19 pandemic. The cash and cash equivalents of the Company only amounted to HK\$49,238,000 as of 31 December 2022. During the year ended 31 December 2022, the revenue of the Group decreased significantly to approximately HK\$150.29 million (2021: approximately HK\$11.01 billion), representing a decrease of approximately 98.64% as compared to the year ended 31 December 2021. The decrease in revenue was mainly

LETTER FROM THE BOARD

attributable to the temporary suspension of a substantial part of its energy trading business since October 2021. During the year ended 31 December 2022, the Group recorded a loss attributable to the owner of the Company of approximately HK\$31.91 million (2021: net profit attributable to the owner of the Company of approximately HK\$94.30 million). The net loss was mainly attributable to the temporary suspension of a substantial part of its energy trading business since October 2021 and there was no performance of new oil drilling agreement since the completion of oil drilling services under the well agreements in June 2021 (For details, please refer to the Group's annual results announcement for the year ended 31 December 2022 published on 31 March 2023). The Company therefore needs to maintain sufficient bank balances in order to ensure that its normal business operation will not be hampered by a shortage in short-term cash flow. The Board considers that it is in the best interests of the Company and its shareholders to reserve such cash and bank balances for its ordinary and normal course of business rather than for redeeming the Convertible Notes. Hence, the Company needs more time to further strengthen its cash reserve before redeeming the Convertible Notes.

The terms of the Third Supplemental Deed were determined after arm's length negotiation between the Company and the New Subscriber with reference to, inter alia, the following factors: (a) the market price of the Shares; (b) the cash flow and performance of the Company; (c) the prevailing market uncertainties and economic conditions. The Company could not easily obtain credit facilities elsewhere and could not negotiate for a lower interest rate given the current economic uncertainties and the commercial banks may impose certain restrictive covenants on the Group, which may hinder the development of the business of the Group. Since the Company may not be able to provide assets acceptable to commercial banks as collaterals, it is difficult for the Company to obtain bank loans (i) of significant amount; (ii) for a longer term; (iii) with flexible repayment schedules; and (iv) at a reasonably acceptable interest rate or an interest rate lower than that of the Convertible Notes. The Directors consider the Third Supplemental Deed to be fair and reasonable and is in the interest of the Company and its shareholders as a whole.

Although the Company has raised net proceeds of approximately HK\$94,840,000 through placing of new shares as disclosed in its completion announcement dated 3 August 2020, such proceeds were used as general working capital as disclosed in its announcement dated 24 June 2020, not for redemption of the Convertible Notes.

The Board considers that any equity financing solely for the repayment of indebtedness of the Group, the maturity date of which could be extended, but not for business development may not be in the best interests of the Company and the shareholders at this stage as the Company has been exploring new projects and business expansion for the Group.

The Company does not have any immediate specific funding arrangement plan to early redeem the Convertible Notes because it needs more time to observe the growth momentum of the Company's business, and hence its funding and cash flow needs, in light of the risk and potential impacts of stagflation in the global economy, volatility in oil price and the overall market uncertainties subsequent to the prolonged COVID-19 pandemic.

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LISTING RULES IMPLICATIONS

Under Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval of the Proposed Amendment pursuant to the requirements under the Listing Rules.

EGM

The EGM Notice is set out on pages 23 to 24 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish.

With respect to the Third Supplemental Deed, to the best of the Directors' knowledge, information and belief, no Shareholder has an interest in the Third Supplemental Deed and the Specific Mandate that is materially different from the other Shareholders save and except Mr. Chen, Oriental Gold and Mr. Lin, all being substantial Shareholders, provided guarantees and securities on the Convertible Notes. Therefore they are required to abstain from voting at the EGM in respect of the Third Supplemental Deed and the Specific Mandate. Save as the above, no other Shareholder is required to abstain from voting at the EGM in respect of the Third Supplemental Deed and the Specific Mandate. As at the Latest Practicable Date, Mr. Chen, Oriental Gold and Mr. Lin did not have any other arrangements, agreements or understanding (whether formal or informal, express or implied) with the New Subscriber and the Company.

Save as the aforesaid, to the best knowledge of the Directors, no other Shareholders are required to abstain from voting on the ordinary resolutions approving the Third Supplemental Deed and the respective transactions contemplated thereunder at the EGM.

VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39 of the Listing Rules and article 66 of the Articles, any votes of the Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors consider that the proposed amendment to the Convertible Notes are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders (who are not required to abstain from voting on the relevant resolutions) vote in favour of all the relevant resolutions to be proposed at the EGM.

OTHER

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Jintai Energy Holdings Limited (the “**Company**”) will be held at Units 1302–3, 13/F, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong on Friday, 5 May 2023, at 3:00 p.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

“**THAT** subject to the fulfillment of the conditions as set out in the third supplemental deed (the “**Third Supplemental Deed**”) dated 20 March 2023 and entered into among the Company and Qilu International Funds SPC (for the account and on behalf of Zhongtai Dingfeng Classified Fund SP) in relation to the proposed alterations of terms of the convertible notes (the “**Convertible Notes**”) in the principal amount of HK\$123,290,764.56 (a copy of which has been produced to the Meeting and marked “A” and signed by the chairman of the Meeting for the purpose of identification):

- (a) the Third Supplemental Deed and all the transactions contemplated thereunder and all other matters in connection herewith and incidental thereto, be and are hereby approved, confirmed and ratified;
- (b) the Convertible Notes (as amended by the supplemental deed dated 16 July 2020, the second supplemental deed dated 4 August 2021 and the Third Supplemental Deed) be and are hereby approved and confirmed;
- (c) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to allot and issue such number of shares of the Company as may be required to be issued and allotted upon exercise of the conversion rights attached to the Convertible Notes (as amended by the supplemental deed dated 16 July 2020, the second supplemental deed dated 4 August 2021 and the Third Supplemental Deed); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) any Director(s) be and is/are hereby authorised to sign all such documents and do all acts as he/they may consider necessary in connection with resolutions (a), (b) and/or (c) above.”

By Order of the Board
Jintai Energy Holdings Limited
Yuan Hongbing
Executive Director and Chief Executive Officer

Hong Kong, 19 April 2023

Principal place of business in Hong Kong:
Suites 2601–2603, 26/F
Shui On Centre
6–8 Harbour Road
Wan Chai
Hong Kong

Registered Office:
Cricket Square
Hutchins Drive
Grand Cayman KY1-1111
P.O. Box 2681
Cayman Islands

Notes:

1. Any member entitled to attend and vote at the above meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the above meeting, the chairman of the meeting will exercise his power under article 66 of the articles of association of the Company to put each of the resolutions set out in this notice to be voted by way of poll.
4. Completion and return of the form of proxy will not preclude members from attending and voting at the meeting and in such event, the instrument appointing the proxy shall be revoked.
5. If a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time after 5:00 a.m. on Friday, 5 May 2023, the meeting will be postponed and will not be held on that day. An announcement will be made in such event.
6. In light of the current outbreak of COVID-19, shareholders may consider appointing the chairman of the meeting as his/her proxy to vote on the resolutions, instead of attending the meeting in person.
7. All dates and times in this notice refer to Hong Kong dates and times.

As at the date of this notice, the Company has three executive Directors, namely Mr. Han Jinfeng (Chairman), Mr. Lin Caihuo and Mr. Yuan Hongbing (Chief Executive Officer), one non-executive Director, namely Mr. Chen Yunwei, and three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Mr. Jiang Hao.