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# SPT

## SPT Energy Group Inc.

### 華油能源集團有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1251)**

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

**Placing Agent**



### THE PLACING

On 21 April 2023, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 100,000,000 Placing Shares to not less than six Placees at a price of HK\$0.250 per Placing Share. Each of the Placees and their respective ultimate beneficial owners shall be an Independent Third Party.

The Placing Price of HK\$0.250 per Placing Share represents (i) a discount of 1.96% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and (ii) a discount of 1.96% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 20 April 2023, the last trading day immediately preceding the date of the Placing Agreement.

The maximum Placing Shares of 100,000,000 Shares represent approximately 5.39% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.12% of the issued share capital of the Company as enlarged by the Placing.

The Placing Shares shall be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 10 June 2022.

The maximum gross proceeds from the Placing will be approximately HK\$25.00 million. The net proceeds, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$24.62 million, representing a net issue price of approximately HK\$0.246 per Placing Share.

The Company intends to use the net proceeds raised from the Placing for capital expenditure and general replenishment of working capital.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

**Date** 21 April 2023

**Issuer** The Company

**Placing Agent** China Galaxy International Securities (Hong Kong) Co., Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

The Placing Agent will charge the Company a placing commission of 1.50% of the aggregate Placing Price for the Placing Shares. The Placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents and the size of the Placing. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

## **Placees**

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. It is not expected that any of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

## **Number of Placing Shares**

The maximum Placing Shares of 100,000,000 Shares represent approximately 5.39% of the existing issued share capital of the Company as at the date of this announcement and approximately 5.12% of the issued share capital of the Company as enlarged by the Placing. The maximum nominal value of the Placing Shares under the Placing will be US\$10,000.

## **Placing Price**

The Placing Price of HK\$0.250 per Placing Share represents (i) a discount of 1.96% to the closing price of HK\$0.255 per Share as quoted on the Stock Exchange as at the date of the Placing Agreement; and (ii) a discount of 1.96% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 20 April 2023, the last trading day immediately preceding the date of the Placing Agreement. Based on the closing price of the Shares of HK\$0.255 per share on 21 April 2023 (the date of the Placing Agreement), the Placing Shares have a market value of HK\$25.50 million.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent market prices of the Shares. Given the size of the Placing Shares involved, the Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares shall rank pari passu in all respects among themselves and with the existing issued Shares on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

The Placing is conditional upon (i) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked); and (ii) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing). If the above conditions are not fulfilled by the fifth Business Day after the day on which the Placing Agreement is signed (or such other date as may be agreed by the parties thereto), the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing except (i) the Company shall remain liable for the payment of all costs and expenses referred to in the Placing Agreement already incurred or to be incurred in consequence of such termination, (ii) any antecedent breach of any of the obligations and liabilities hereunder (including liabilities arising prior to such termination under the representations, warranties and undertakings referred to in the Placing Agreement) and (iii) that the indemnity provisions in the Placing Agreement shall remain in full force and effect.

## **Completion**

The Placing shall complete on the day on which the conditions set out above have been fulfilled (or such other date as may be agreed by the parties thereto in writing).

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **General Mandate to issue the Placing Shares**

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 10 June 2022, subject to the limit up to 20% of the total number of issued shares of the Company as at 10 June 2022. As at the date of this announcement, the Company has not utilised the General Mandate.

## **Termination**

The Placing Agent shall be entitled by notice to the Company given at any time on or prior to the date of Completion to terminate the Placing Agreement:

- (i) if there has come to the notice of the Placing Agent:
  - (a) any material breach of the undertakings, warranties and representations set out in the Placing Agreement; or
  - (b) any of the undertakings, warranties and representations set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
  - (c) any material adverse change in the business or in the financial or trading position or prospects of any member of the Company and its subsidiaries taken as a whole which is material in the context of the Placing; or
- (ii) if there develops, occurs or comes into force:
  - (a) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in or affecting Hong Kong or the PRC and which would materially prejudice the success of the Placing; or

- (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which would materially prejudice the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC and if any such new law or change would materially prejudice the success of the Placing; or
- (d) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would materially prejudice the success of the Placing; or
- (e) any litigation or claim of material importance of any third party being instigated against the Company, which has a material adverse effect on the business or financial prospects of the Group and which would materially prejudice the success of the Placing; or
- (f) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than two consecutive Business Days, excluding any trading halt or suspension made by the Company voluntarily or in connection with the clearance (if required) or release of the announcement relating to the Placing,

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

Directors	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Mr. Wang Guoqiang</b> (Note 1)				
-Deemed to be interested in the Shares held by Truepath Limited (Note 2)	489,512,000	26.41	489,512,000	25.05
<b>Mr. Ethan Wu</b> (Note 1)				
-Deemed to be interested in the Shares held by Widescope Holdings Limited (Note 3)	140,372,000	7.57	140,372,000	7.18
-Deemed to be interested in the Shares held by True Harmony Limited (Note 4)	21,600,000	1.17	21,600,000	1.11
<b>Other public shareholders</b>	1,202,291,999	64.85	1,202,291,999	61.54
<b>Placees</b>	–	–	100,000,000	5.12
<b>Total</b>	<b>1,853,775,999</b>	<b>100%</b>	<b>1,953,775,999</b>	<b>100%</b>

*Notes:*

1. Mr. Wang Guoqiang and Mr. Ethan Wu are parties acting in concert.
2. Mr. Wang Guoqiang and his family members are the beneficiaries of Truepath Trust, a discretionary trust established by Mr. Wang Guoqiang, and therefore he is deemed to be interested in 489,512,000 shares of the Company held by Truepath Limited which is wholly owned by Red Velvet Holdings Limited.
3. Mr. Ethan Wu and his family members are the beneficiaries of Widescope Trust, a discretionary trust established by Mr. Ethan Wu, and therefore he is deemed to be interested in 140,372,000 shares of the Company held by Widescope Holdings Limited which is wholly owned by Elegant Eagle Investments Limited.
4. Mr. Ethan Wu and his family members are the beneficiaries of True Harmony Trust, a discretionary trust established by Mr. Ethan Wu, and therefore he is deemed to be interested in 21,600,000 shares of the Company held by True Harmony Limited which is wholly owned by Best Harvest Far East Limited which in turn is wholly owned by Elegant Eagle Investments Limited.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is principally engaged in the provision of integrated oilfield services. The Company is also engaged in the trading and manufacturing of oilfield services related products.

The Board considers that the Placing represents a good opportunity to raise additional funds to strengthen the Company's financial position and to meet its financial obligations. It will also widen the Company's shareholder base and should improve the liquidity of the Shares. The Board also considers that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares have been placed, the maximum gross proceeds from the Placing will be approximately HK\$25.00 million. The net proceeds, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$24.62 million, representing a net issue price of approximately HK\$0.246 per Placing Share.

The Company intends to use the net proceeds raised from the Placing for capital expenditure and general replenishment of working capital.

## **FUND-RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any fund-raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“associates”	has the meaning ascribed thereunder the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public holiday in Hong Kong) on which commercial banks generally are open for business in Hong Kong
“Company”	SPT Energy Group Inc. (華油能源集團有限公司), an exempted company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 1251)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 10 June 2022, pursuant to which a maximum of 370,755,199 new Shares may fall to be allotted and issued
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Directors, chief executive and substantial shareholders of the Company or any of their respective associates
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best efforts basis, of up to 100,000,000 new Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	China Galaxy International Securities (Hong Kong) Co., Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 21 April 2023 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.250 per Placing Share
“Placing Shares”	up to 100,000,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	ordinary issued share(s) of US\$0.0001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**SPT Energy Group Inc.**  
**Mr. Wang Guoqiang**  
*Chairman*

The PRC, 21 April 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Wang Guoqiang, Mr. Ethan Wu and Mr. Li Qiang; the non-executive Directors are Mr. Wu Jiwei and Ms. Chen Chunhua; and the independent non-executive Directors are Ms. Zhang Yujuan, Mr. Wu Kwok Keung Andrew and Mr. Ma Xiaohu.*

\* For identification purpose only