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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)

DISCLOSABLE TRANSACTION DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board is pleased to announce that on 24 July 2023 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Equity Interest (representing 50% of the entire registered capital of the Target Company) in accordance with the terms and conditions of the Agreement. Upon Completion, the Group will cease to hold any equity interest in the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE DISPOSAL IS SUBJECT TO CONDITION TO BE SATISFIED, AND CONSEQUENTLY THE DISPOSAL MAY OR MAY NOT BE COMPLETED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING DEALING IN THE SECURITIES OF THE COMPANY.

THE AGREEMENT

The Board is pleased to announce that on 24 July 2023 (after trading hours), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Equity Interest (representing 50% of the entire registered capital of the Target Company) in accordance with the terms and conditions of the Agreement.

Details of the Agreement are set out below:

Date

24 July 2023 (after trading hours)

Parties

- (1) The Vendor, an indirect wholly-owned subsidiary of the Company; and
- (2) The Purchaser.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Subject matter

The Vendor agreed to sell, and the Purchaser agreed to acquire, the Equity Interest (representing 50% of the entire registered capital of the Target Company) in accordance with the terms and conditions of the Agreement.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Group.

Consideration

The Total Consideration for the Disposal shall be RMB1.00 which shall be payable in cash by the Purchaser upon Completion.

Basis of the Consideration

The Total Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, the current financial status of the Target Company, which is at a net liabilities position as at the date of the Agreement.

Conditions precedent

Completion of the Agreement is conditional upon compliance by the Company of all requirements under the applicable laws, regulations and Listing Rules in respect of the transactions contemplated in the Agreement.

If the condition has not been satisfied on or before 31 December 2023, the Agreement will lapse automatically.

Completion

Subject to the satisfaction of the condition precedent, Completion shall take place within 3 business days from the date on which the condition precedent is satisfied (or such other date as the Vendor and the Purchaser may agree in writing).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company has ceased to carry on its major business in the trading of energy products since June 2022 and does not intend to re-activate such business in the near foreseeable future. Moreover, as at the date of the Agreement, the Target Company is in a net liabilities position of approximately RMB28,437,000. Hence, the disposal of the Target Company will allow the Group to reduce its share of net liabilities and accordingly improve its overall financial position.

The Group is expected to record an unaudited gain of approximately RMB14,218,000 from the Disposal, which is estimated based on the Total Consideration to be received by the Group for the Disposal (i.e. RMB1) less 50% of the net liabilities of the Target Company as at 30 June 2023 and any related expenses. The actual amount of gain on the Disposal to be recorded by the Group will depend on the net carrying value of the Target Company as at the date of Completion, which may be different from the amount mentioned above and will be subject to the review and final audit by the auditors of the Company. The Group intends to use the proceeds from the Disposal as its working capital.

Taking into consideration the reasons for and benefits of the Disposal to the Group, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the transactions contemplated thereunder, including the Total Consideration, which have been reached after arm's length negotiations among the parties, are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors had any material interest in the Disposal nor were required to be abstained from voting on the relevant resolution(s) of the Board.

INFORMATION ON THE PARTIES AND THE TARGET COMPANY

Information on the Company, the Vendor and the Group

The Company is an investment holding company.

The Vendor is principally engaged in investment holding.

The Group is principally engaged in (i) energy trading which comprised mainly the trading of fuel oil and kerosene; (ii) operation of digital energy trading park; (iii) drilling services; and (iv) customs declaration services.

Information on the Purchaser

The Purchaser is a company established in the PRC and is principally engaged in energy management business.

Information on the Target Company

The Target Company is a company established in the PRC with limited liability, which was principally engaged in trading of energy products before it ceased business in June 2022.

Financial information of the Target Company

The following financial information is extracted from the audited and unaudited financial statements of the Target Company compiled in accordance with the generally accepted accounting principles of the PRC:

	For the year ended		For the six
	31 December		months ended
	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Unaudited)
Revenue	72,555	29,922	0
Profit/(Loss) before tax	(30)	(28,406)	0
Profit/(Loss) after tax	(30)	(28,406)	0

The unaudited consolidated net liabilities of the Target Company as at 30 June 2023 were approximately RMB28,437,000.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

WARNING

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DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 24 July 2023 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Business Day(s)”	a day, other than a Saturday or Sunday or public holiday in Hong Kong, on which the commercial banks are open for general business
“Company”	Jintai Energy Holdings Limited (金泰能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2728)
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Equity Interest in the Target Company by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
“Equity Interest”	50% of the entire registered capital of the Target Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third parties independent of the Group and its connected persons
“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 only, excludes Hong Kong, Macau and Taiwan

“Purchaser”	東營綜合保稅區博森商業管理有限公司 (Dongying Comprehensive Bonded Zone Bo Sen Commercial Management Company Limited), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	shares(s) of the Company of par value HK\$0.01 each
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	青島東方信實石油化工有限公司 (Qingdao Dongfang Xinshi Petrochemical Company Limited), a company established in the PRC with limited liability, which is 50%-owned by the Company as at the date of this announcement
“Total Consideration”	RMB1, being the consideration payable by the Purchaser to the Vendor under the Agreement
“Vendor”	香港金匯國際貿易有限公司 (Hong Kong Jinhui Global Trading Limited), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

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

Hong Kong, 24 July 2023

As at the date of this announcement, the Company has two executive Directors, namely Mr. Han Jinfeng (Chairman) 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.