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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)

**SECOND SUPPLEMENTAL DEED
AMENDMENTS TO THE TERMS AND CONDITIONS OF
THE CONVERTIBLE NOTES**

On 4 August 2021 (after trading hours), the Company entered into the Second Supplemental Deed with the New Subscriber, pursuant to which, the Company and the New Subscriber conditionally agreed to amend the Maturity Date, the Conversion Period, and the interest payment dates.

SPECIFIC MANDATE TO ISSUE THE CONVERSION SHARES

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 Second 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 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 new Specific Mandate.

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.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares. A circular containing, among other things, (i) details of the Second Supplemental Deed and the Specific Mandate; (ii) a notice of the EGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 August 2021.

The Second Supplemental Deed is subject to the satisfaction of the conditions precedent, which may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares.

Reference is made to the Announcements.

SECOND SUPPLEMENTAL DEED

On 4 August 2021 (after trading hours), the Company entered into the Second Supplemental Deed with the New Subscriber. Pursuant to the Second Supplemental Deed, the parties conditionally agreed to:

- (a) extend the Maturity Date to 17 July 2022 (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
- (b) the interest payment dates shall be 17 January 2022 and 17 July 2022 (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).

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 Second Supplemental Deed and the transactions contemplated hereunder;

- (b) the Board having passed all necessary resolutions in approving, among other things, the Second Supplemental Deed and the transactions contemplated hereunder;
- (c) the Company having obtained all necessary approvals and consents from any government or regulatory authority or any other persons (including shareholders' approvals) and the completion of all filings with any government or regulatory authority required for the execution of the Second 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 Second 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 this Second Supplemental Deed.

If the conditions precedent have not been fulfilled on or before 31 October 2021 or such other date as may be agreed in writing between the Company and the New Subscriber, the Second Supplemental Deed will lapse and become null and void and the parties will be released from all obligations hereunder, save for liabilities for any antecedent breaches hereof.

Outstanding amount

The outstanding principal amount under the Convertible Notes remains to be HK\$110,952,907. The outstanding interest as at the date of this announcement is HK\$3,669,286.

Conversion price

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

- (a) a discount of approximately 35.27% to the closing price of HK\$0.207 per Share on the date of the Second Supplemental Deed; and
- (b) a discount of approximately 34.82% to the average closing price of HK\$0.2056 per Share as quoted on the Stock Exchange for the last five trading days immediately before the date of the Second Supplemental Deed.

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 Second Supplemental Deed.

Security of the Convertible Notes

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

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

The Company has not carried out any equity fund raising exercise in the 12 months immediately preceding the date of this announcement. The Company carried out an issue of new Shares in June 2020, completion of which took place on 3 August 2020:

Date of announcements	Event	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
24 June 2020, 2 July 2020, 3 August 2020	Issue of new Shares under the general mandate	HK\$94,840,400	General working capital of the Company and its subsidiaries.	General working capital of the Company and its subsidiaries.

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 828,006,769 Conversion Shares, representing approximately 18.59% of the issued share capital of the Company as at the date of this announcement and approximately 15.67% 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 date of this announcement, 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 date of this announcement		Shareholding upon full conversion of the Convertible Notes	
	<i>Number of shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of shares held</i>	<i>Approximate % of enlarged Shares</i>
Mr. Lin Caihuo	928,284,839	20.84%	928,284,839	17.57%
Mr. Chen Jinle	916,108,273	20.56%	916,108,273	17.34%
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	14.05%
Super Wise International Investment Limited	355,390,000	7.98%	355,390,000	6.73%
New Subscriber	—	—	828,006,769	15.67%
Other public Shareholders	1,498,938,296	33.65%	1,498,938,296	28.37%
Total	4,455,020,888	100%	5,283,027,657	100%

INFORMATION OF THE GROUP

As at the date of this announcement, the Group is principally engaged in energy trading, including mainly trading of fuel oil and kerosene and speaker manufacturing and trading business.

INFORMATION OF THE NEW SUBSCRIBER AND THE GUARANTORS

The New Subscriber is 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 and is principally engaged in asset management. It 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).

Mr. Lin is an executive Director and a substantial shareholder of the Company who holds 928,284,839 Shares, representing approximately 20.84% of the issued share capital of the Company as at the date of this announcement.

Mr. Chen is the Chairman and an executive Director, the sole owner 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 date of this announcement. 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 a PRC resident who principally engages in the energy industry.

REASONS FOR ENTERING INTO THE SECOND SUPPLEMENTAL DEED

The Company needs more time to arrange funding to redeem the Convertible Notes. The terms of the Second Supplemental Deed were determined after arm's length negotiation between the Company and the New Subscriber with reference to, inter alia, (a) the market price of the Shares, (b) the performance of the Company and (c) the prevailing market condition. The Directors consider the Second Supplemental Deed to be fair and reasonable and is in the interest of the Company and its shareholders as a whole.

SPECIFIC MANDATE TO ISSUE THE CONVERSION SHARES

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 Second 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 Second 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 Second Supplemental Deed and the Specific Mandate.

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.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the conversion rights under the Convertible Notes (as amended and supplemented).

A circular containing, among other things, (i) details of the Second Supplemental Deed and the Specific Mandate; (ii) a notice of the EGM; and (iii) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 25 August 2021.

The Second Supplemental Deed is subject to the satisfaction of the conditions precedent, which may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Except as stated otherwise, defined terms used herein shall have the same meanings as those defined in the Announcements.

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

“Announcements”	the announcements of the Company dated 29 May 2019, 11 June 2019, 2 July 2019, 5 July 2019, 17 July 2019, 16 July 2020 and 3 November 2020
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Proposed Amendment and the grant of the Specific Mandate
“Second Supplemental Deed”	the second supplemental deed of Instrument entered into between the Company and the New Subscriber on 4 August 2021 in connection with the Proposed Amendment

“Specific Mandate”

the specific mandate for the issuance of the Conversion Shares under the amended terms of the Convertible Notes

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

Hong Kong, 4 August 2021

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