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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 24 June 2020, the Company has entered into the Subscription Agreement with the Subscriber for the subscription of an aggregate 742,503,480 new Shares for an aggregate consideration of approximately HK\$95,040,400 at the Subscription Price of HK\$0.128 per Subscription Share.

The Subscription Price of HK\$0.128 per Subscription Share represents (i) a discount of approximately 9.22% to the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 9.60% to the average closing price of HK\$0.1416 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Shares of 742,503,480 new Shares represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of its enlarged share capital. The Subscription Shares will be issued under the General Mandate and will rank equally with all existing Shares.

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 29 May 2020.

The Company intends to use the net proceeds raised from the issue of the Subscription Shares for general working capital of the Company and its subsidiaries.

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon, inter alia, the Listing Committee agreeing to grant a listing of and permission to deal in the Subscription Shares.

Warning: Shareholders and potential investors should note that the Subscription is subject to the fulfillment of various conditions, the Subscription may or may not proceed to completion. Accordingly, Shareholders and potential investors should exercise caution when dealing in the Shares.

SUBSCRIPTION AGREEMENT DATED 24 JUNE 2020

Parties

Issuer: The Company

Subscriber: The Subscriber

Based on the information provided by the Subscriber, the Subscriber is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

Subscription

Pursuant to the Subscription Agreement, the Company has agreed to issue and the Subscriber has agreed to subscribe for an aggregate of 742,503,480 new Shares at the Subscription Price of HK\$0.128 per Share, subject to the terms and conditions contained therein. The gross proceeds and the net proceeds from the issue of the Subscription Shares are expected to amount to approximately HK\$95,040,400 and HK\$94,840,400 respectively. The Subscription Shares are to be issued under the General Mandate and no separate shareholders' approval will be obtained.

Subscription Price

The Subscription Price of HK\$0.128 per Share is determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Subscription Price represents:

- (a) a discount of approximately 9.22% on the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on 24 June 2020, being the date of the Subscription Agreement; and
- (b) a discount of approximately 9.60% on an average closing price of HK\$0.1416 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately before the date of the Subscription Agreement.

Subscriptions Shares

As at the date of this announcement, a total of 3,712,517,408 Shares were issued. The Subscription Shares to be issued pursuant to the Subscription Agreement represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of its issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM. As at the date of this announcement, the Company had not utilized the General Mandate. The number of Shares which could be issued and allotted under the General Mandate is 742,503,481 Shares as at the date hereof. As such, the current General Mandate is sufficient for the issue and allotment of the Subscription Shares. No separate Shareholders' approval is required for the Subscription.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with all existing Shares presently in issue and at the time of issue and allotment of the Subscription Shares.

Conditions Precedent of the Subscription

The Subscription is conditional on the granting of a listing of and permission to deal in the Subscription Shares by the Listing Committee of the Stock Exchange.

If the condition is not fulfilled on or before 15 July 2020 (or such other date as the parties may mutually agree) the Subscription Agreement shall lapse.

Completion of Subscription

The completion of the Subscription will be on the 3rd Business Day immediately after the condition of the Subscription has been fulfilled (or such other date as the parties may agree). The completion of the Subscription is subject to the satisfaction of the conditions in the Subscription Agreement and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for granting the listing of and permission to deal in the Subscription Shares.

USE OF PROCEEDS

The net proceeds from the Subscription to be received by the Company upon completion of the Subscription will amount to approximately HK\$94,840,400 after deducting professional fees and all related expenses. On this basis, the net issue price per Subscription Share is approximately HK\$0.1277 per Share.

The Company intends to use the net proceeds raised from the Subscription for general working capital of the Company and its subsidiaries.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in energy trading, including mainly trading of fuel oil and kerosene and speaker manufacturing and trading business. The Subscription represents a valuable opportunity for the Company to introduce the Subscriber as a strategic Shareholder and broaden the Shareholders' base. The Directors are also of the view that the Subscription can strengthen the financial position and broaden the capital base of the Company, which provides extra funding to the Group to pursue future business development opportunities besides considering the recent uncertainties in the global financial market.

The Board has reviewed other alternative fund-raising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence process and negotiations with banks as well as the prevailing financial market condition, which may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures which may require relatively longer time and additional administrative cost to complete as compared to the equity financing by way of issuing of new Shares under the General Mandate.

The Directors consider the terms of the Subscription Agreement is on normal commercial terms and are fair and reasonable based on the current market conditions and the Subscription is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following fundraising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
7 August 2019, 12 August 2019 and 22 August 2019	Issue of new Shares under general mandate	HK\$67,300,000	General working capital of the Company and its subsidiaries, acquisition of business (if any) if opportunities arise and repayment of some of the indebtedness of the Group.	Approximately 18% and 82% of the net proceeds have already been used for repayment of debts and interest expenses and general working capital in energy trading business respectively.
23 September 2019 and 2 December 2019	Issue of new shares under general mandate	HK\$9,316,000	General working capital of the Company and its subsidiaries.	All of the net proceeds have already been used for general working capital in energy trading business

Save as abovementioned, the Company had not conducted any other fundraising exercise in the past twelve months immediately preceding the date of this announcement.

EFFECT OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE

The shareholding structures as at (i) the date of this announcement, (ii) immediately after the completion of the Subscription and (iii) upon completion of the Subscription and full conversion of the convertible notes issued on 17 July 2019 into conversion shares (assuming there is no other change in the shareholding structure) are as follows:

	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Subscription		Shareholding upon completion of the Subscription and full conversion of the convertible notes issued on 17 July 2019 into conversion shares	
	<i>Number of shares held</i>	<i>Approximately % of Shares in issue</i>	<i>Number of shares held</i>	<i>Approximately % of Shares in issue</i>	<i>Number of shares held</i>	<i>Approximately % of Shares in issue</i>
Mr. Lin Caihuo	928,284,839	25.00%	928,284,839	20.84%	928,284,839	18.35%
Oriental Gold Honour Joy International Holdings Limited	892,768,273	24.05%	892,768,273	20.04%	892,768,273	17.65%
Mr. Yuan Hongbing	4,000	0.0001%	4,000	0.0001%	4,000	0.0001%
The Subscriber	Nil	Nil	742,503,480	16.67%	742,503,480	14.68%
Super Wise International Investment Limited	540,000,000	14.55%	540,000,000	12.12%	540,000,000	10.68%
Win Win International Strategic Investment Funds SPC	0	0	0	0	603,004,929	11.92%
Other public Shareholders	<u>1,351,460,296</u>	<u>36.40%</u>	<u>1,351,460,296</u>	<u>30.33%</u>	<u>1,351,460,296</u>	<u>26.72%</u>
Total	<u><u>3,712,517,408</u></u>	<u><u>100%</u></u>	<u><u>4,455,020,888</u></u>	<u><u>100%</u></u>	<u><u>5,058,025,817</u></u>	<u><u>100%</u></u>

PUBLIC FLOAT

The Company will be able to comply with the public float requirement under the Listing Rules immediately after completion of the Subscription.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 29 May 2020
“associates”	having the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than Saturdays) on which banks in Hong Kong are generally open for business
“Company”	Jintai Energy Holdings Limited (Stock Code: 2728), a company incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Hong Kong Moral Co-Operation Investment Limited 香港德合投資有限公司, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of the Subscription Shares pursuant to the terms of the Subscription Agreement

“Subscription Agreement”	the subscription agreement dated 24 June 2020 and made between the Company and the Subscriber
“Subscription Price”	HK\$0.128 per Subscription Share
“Subscription Shares”	a total of 742,503,480 new Shares to be issued by the Company to the Subscriber pursuant to the Subscription Agreement with an aggregate nominal value of HK\$928,129.35
“%”	per cent.

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

Hong Kong, 24 June 2020

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, 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.