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**Sino Energy International Holdings Group Limited**  
**中能國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 1096)

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
EXTENSION OF DUE DATE OF REFUND OF  
PARTIAL CONSIDERATION**

On 18 August 2017, the Company, the Purchaser and the Vendor entered into the Termination Agreement by way of rescinding the Acquisition Agreement and making provisions for the refund of the Partial Consideration. Pursuant to the Termination Agreement, among other things, the due date of the refund of the Partial Consideration by the Vendor to the Company shall be extended, as to HK\$30,000,000, from 30 June 2017 to 30 September 2017 and, as to the remaining balance of HK\$60,000,000, from 30 June 2017 to 28 February 2018 as hereinafter mentioned.

The Partial Consideration Extension constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 14 of the Listing Rules.

**BACKGROUND OF THE ACQUISITION OF WEALTHY FORTRESS  
INVESTMENT CORPORATION**

Reference is made to the announcement of Sino Energy International Holdings Group Limited (the “**Company**”) dated 23 December 2016 (the “**Announcement**”) in relation to the Acquisition Agreement dated 23 December 2016 regarding the acquisition of 100% equity interest in Wealth Fortress Investment Corporation. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

Pursuant to the Acquisition Agreement, the Purchaser has paid to the Vendor the sum of HK\$90 million as part of the consideration for the Acquisition (the “**Partial Consideration**”).

As some of the conditions precedent under the Acquisition Agreement have not been fulfilled or waived before 30 June 2017 or such other dates as agreed by the parties to the Acquisition Agreement, the Acquisition Agreement was terminated forthwith and each party to the Acquisition Agreement shall have no liability to the other party save and except for any antecedent breaches of the terms thereof and that the Vendor shall return the Partial Consideration to the Purchaser.

### **Termination Agreement**

The board of directors of the Company (the “**Board**”) announces that on 18 August 2017, the Company, the Purchaser, and the Vendor entered into a termination agreement (the “**Termination Agreement**”) by way of rescinding the Acquisition and making provisions for the refund of the Partial Consideration. Pursuant to the Termination Agreement, among other things, the due date of the refund of the Partial Consideration by the Vendor to the Purchaser shall be extended, as to HK\$30,000,000, from 30 June 2017 to 30 September 2017 and, as to the remaining balance of HK\$60,000,000, from 30 June 2017 to 28 February 2018 as mentioned below (the “**Partial Consideration Extension**”).

The major terms of the Termination Agreement are as follows:

1. The Acquisition Agreement shall be cancelled and superseded by the Termination Agreement with effect from the date of the Termination Agreement.
2. The Vendor grants to the Company an irrevocable and exclusive option to purchase from the Vendor, at the Company’s sole discretion, the Sale Shares at the consideration of HK\$400 million by 30 June 2019 (the “**Exclusive Option**”). During such period, the Vendor undertakes that it shall not enter into or be involved in any discussions, negotiation or agreement with any person (other than the Company or its nominee) for or in relation to the sale, transfer or disposal of the Sale Shares.

3. The Partial Consideration shall be refunded by the Vendor to the Purchaser in the following manner:
  - (a) as to HK\$30,000,000, on or before 30 September 2017 (or such later date as the parties to the Termination Agreement may agree in writing) (the “**First Installment**”); and
  - (b) as to the remaining balance of HK\$60,000,000, on or before 28 February 2018 (or such later date as the parties to the Termination Agreement may agree in writing) (the “**Second Installment**”).
4. The Vendor shall pay to the Purchaser interests on the First Installment and the Second Installment at the rate of 10% per annum commencing on 1 July 2017, which shall accrue from day to day and be calculated on the basis of the actual number of days elapsed over a year of three hundred and sixty five (365) days. Interests on the First Installment and the Second Installment shall be paid by the Vendor to the Purchaser on or before 30 September 2017 and 28 February 2018 respectively. The interest rate of 10% per annum was determined by reference to the interest rates charged on the unsecured debentures issued by the Company ranging from 3.4% to 10.5% as at 31 December 2016.
5. If the Vendor fails to repay any amount of the First Installment and/or the Second Installment on the due date(s) for payment, interest on the unpaid amount shall accrue, from the date of non-payment to the date of actual payment, at a default interest rate of 20% per annum, which shall be calculated on the basis of the actual number of days elapsed over a year of three hundred and sixty five (365) days.
6. Within one month from the date of the Termination Agreement, the Vendor shall enter into a share pledge to charge all its rights, title, interest and benefit, present and future in, to and under the entire issued share capital of the HK Company, being fully paid and beneficially owned by it, in favour of the Purchaser, to secure the obligations of the Vendor to repay the First Installment and Second Installment under the Termination Agreement.

## **Directors' views**

The terms of the Termination Agreement have been arrived at after arm's length negotiations between the Company, the Purchaser and the Vendor. The Directors consider that the transactions contemplated by the Termination Agreement have been made on normal commercial terms and the terms of the Termination Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

## **Reasons for the Partial Consideration Extension**

The Company has demanded the Vendor to return the Partial Consideration. However, the Vendor indicates that it will not be able to refund the Partial Consideration in full immediately but agrees to pay interests on the First Installment and the Second Installment and grant the Exclusive Option to the Company as consideration for the Company's consent to the Partial Consideration Extension. The Directors consider that it is in the interest of the Group to accede to the Partial Consideration Extension, because the Company will be able to collect interests on the First Installment and Second Installment from the Vendor and be granted the Exclusive Option.

## **Implications under the Listing Rules**

### ***Exclusive Option***

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the grant of the Exclusive Option less than 5%, the grant of the Exclusive Option itself does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. However, in case the Company exercises its option to acquire the Sale Shares under the Exclusive Option, such acquisition may potentially constitute a notifiable transaction. In such event, the Company will comply with the requirements under Chapter 14 of the Listing Rule accordingly.

### ***Partial Consideration Extension***

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Partial Consideration Extension are more than 5% but less than 25%, the Partial Consideration Extension constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements only but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

### **General disclosures**

The principal activities of the Group are manufacturing and sale of casual footwear, apparel and related accessories, and operating gas stations in the People's Republic of China.

The Vendor is a company incorporated under the laws of BVI with limited liability. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the Vendor and its ultimate beneficial owner is an Independent Third Party and the Vendor is an investment holding company.

By order of the Board

**Sino Energy International Holdings Group Limited**

**Chen Jianbao**

*Chairman*

Hong Kong, 18 August 2017

*As at the date of this announcement, the executive Directors are Mr. Chen Jianbao, Mr. Wang Wei, Ms. Cai Xiuman, Mr. Zhang Wenbin and Mr. Wang Qingshan; the non-executive Director is Mr. Song Pengcheng; and the independent non-executive Directors are Mr. Chen Jinzhong, Roy, Mr. Lee Ho Yiu Thomas, Mr. Gu Renliang and Mr. Wang Xianzhang.*