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HAITIAN ENERGY INTERNATIONAL LIMITED

海天能源國際有限公司

(in provisional liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1659)

INSIDE INFORMATION TERMINATION OF THE LETTER OF INTENT

This announcement is made by Haitian Energy International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**Inside Information Provisions**”).

Reference is made to the announcement of the Company dated 25 February 2019 (the “**Announcement**”) in relation to a letter of intent entered into by a subsidiary (the “**Subsidiary**”) of the Company and certain independent third parties (the “**Vendors**”) on 15 January 2019 (the “**Letter of Intent**”), pursuant to which the Subsidiary intended to acquire a company established in the People’s Republic of China (the “**PRC**”) which holds certain forestry land use rights. As at the date of the Announcement, sums amounted to RMB120,000,000 in aggregate had been paid by the Subsidiary to the Vendors as intention money (the “**Intention Money**”).

After due and careful consideration of the current financial position of the Group and the current economic environment of the PRC, the board (the “**Board**”) of directors of the Company concluded that it is currently not an appropriate time for the Group to make a significant investment in the forestry industry in the PRC as stipulated under the Letter of Intent, especially given that such investment will, if materialized, be considered as the Group engaging in a new business. Accordingly, on 29 July 2019, the Subsidiary entered into a termination agreement (the “**Termination Agreement**”) with the Vendors, pursuant to which the Subsidiary and the Vendors mutually agreed to terminate the Letter of Intent, and with the Intention Money to be fully refunded by the Vendors to the Subsidiary without interest in the following manner:

- (1) 30% of the Intention Money (equivalent to RMB36,000,000) will be refunded to the Subsidiary within 3 days upon the effective date of the Termination Agreement;
- (2) a further 30% of the Intention Money (equivalent to RMB36,000,000) will be refunded to the Subsidiary on or before 29 August 2019; and
- (3) the remaining balance of 40% of the Intention Money (equivalent to RMB48,000,000) will be refunded to the Subsidiary on or before 29 October 2019.

The Board believes that the Termination Agreement and the refund of the Intention Money as stipulated thereunder could alleviate the indebtedness and cash flow issues of the Group.

CONTINUED SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY

Trading in the shares of the Company on the Stock Exchange remain suspended until further announcement(s) to be made by the Company in accordance with the Listing Rules and the Inside Information Provisions.

By Order of the Board
HAITIAN ENERGY INTERNATIONAL LIMITED
(in provisional liquidation)
Lin Yang
Chairman and Executive Director

Fujian Province, the PRC, 29 July 2019

As at the date of this announcement, the Chairman and executive Director is Mr. Lin Yang, the other executive Directors are Mr. Chen Congwen, and Mr. Lin Tian Hai; and the independent non-executive Director is Mr. Xie Zuomin.