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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)

QUARTERLY ANNOUNCEMENT

This announcement is made by the board (the “**Board**”) of directors of Haitian Energy International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 25 February 2019 in relation to the filing at the Grand Court of the Cayman Islands of a petition for appointment of provisional liquidators for the purpose of solving the cash flow problem of the Group and investigation of an incident about one of its subsidiaries having entered into a letter of intent for a proposed acquisition of a PRC company and paid out RMB120 million as intention money (the “**Incident**”), and trading suspension in the shares of the Company; (ii) the announcements of the Company dated 6 March 2019 and 14 March 2019 in relation to the appointment of provisional liquidators; (iii) the announcement of the Company dated 21 March 2019 in relation to, among others, the resumption guidance (the “**Resumption Guidance**”) issued by the Stock Exchange; (iv) the announcement of the Company dated 22 March 2019 in relation to the delay in publication of annual results for the year ended 31 December 2018 (the “**2018 Annual Results**”); (v) the announcement of the Company dated 17 June 2019 in relation to the quarterly announcement of the Company; (vi) the announcement of the Company dated 29 July 2019 in relation to the termination of the letter of intent; and (vii) the announcement of the Company dated 22 August 2019 in relation to the delay in publication of interim results (the “**2019 Interim Results**”) and despatch of interim report (the “**2019 Interim Report**”) for the six months ended 30 June 2019. Terms used herein shall have the same meanings as defined in the abovementioned announcements unless otherwise stated.

RESUMPTION GUIDANCE

According to the Resumption Guidance, the Company is required to:

- (i) demonstrate its compliance with Rule 13.24 of the Listing Rules;
- (ii) have the petition against the Company withdrawn or dismissed and the appointment of any liquidator discharged;
- (iii) conduct an investigation (“**Investigation**”) into the Incident, announce the findings and take appropriate remedial actions;
- (iv) demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (v) publish all outstanding financial results and address any audit modifications;
- (vi) announce all material information for the Company’s shareholders and other investors to appraise the Company’s position.

RESUMPTION PLAN OF THE GROUP AND PROGRESS OF RESUMPTION PLAN

In compliance with Rule 13.24A of the Listing Rules, the quarterly update on the Company's progress and development on the resumption of trading of the Shares are set out below.

Key Events

Timeframe

Having the petition against the Company withdrawn or dismissed and the appointment of provisional liquidator discharged

With reference to the Company's announcement dated 29 July 2019, the Subsidiary entered into 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.

The Board has been using its best endeavor to improve the current financial position of the Group and resolve the insolvency problem of the Group. The specific timeframe is still subject to further assessment by the Board.

Conducting Investigation, taking remedial actions in relation to the Incident and completing internal control review, and announcing the findings of the Investigation and remedial actions taken

The Board has conducted the Investigation and proposed certain remedial actions. The Board has also engaged Moore Stephens Advisory Services Limited, an independent internal control consultant, to further assess the adequacy of the Group's internal control systems and the effectiveness of the proposed remedial actions before implementation. As the internal control review is still underway as at the date hereof, the time to announce the findings of the Investigation and remedial actions taken is subject to further assessment by the Board.

| Key Events | Timeframe |
|---|--|
| Publication of the announcement of the 2018 Annual Results | Subject to further assessment by the Board |
| Publication of the annual report for the year ended 31 December 2018 | Subject to further assessment by the Board |
| Publication of the announcement of the 2019 Interim Result and publication of the 2019 Interim Report | Subject to further assessment by the Board |
| Resumption of trading in the shares of the Company | Subject to further assessment by the Board |

UPDATES ON THE BUSINESS OPERATIONS ON THE GROUP

The Group is principally engaged in the hydropower generation by self-owned and leased plants and provision of operating, repair and maintenance and installation services in relation to electricity supplies in the PRC.

Notwithstanding the suspension of trading in the Company's shares, the Group continued its normal business operations. Since 25 February 2019 and up to the date of this announcement, there has been no major change on the business operations of the Group.

During the six months ended 30 June 2019, the Group recorded unaudited revenue of not less than RMB100 million.

CONTINUED TRADING SUSPENSION OF THE SHARES OF THE COMPANY

Trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 25 February 2019 and will remain suspended until further notice.

The Board will make further announcement to update its shareholders and the public of the development of its business operations, its resumption plan, the progress of the implementation of the resumption plan (and any material changes thereof), as well as any other relevant matters as and when appropriate and at least on a quarterly basis.

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

Fujian Province, the PRC, 23 August 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.