

**SINO EXCEL ENERGY LIMITED
ASX ANNOUNCEMENT**

31 December 2015

ASX Code: SLE

RTO AGREEMENT

Sino Excel Energy Limited (ASX: **SLE**) has on 29 December 2015 entered into a Reverse Takeover (**RTO**) Agreement with Standard Privilege Wealth Management Limited, a Hong Kong headquartered wealth management and financial services company (**Standard Privilege**) and its owner and managing director, Mr Stephen Wong (**SW**)

Overview

The RTO agreement provides a framework for the parties to work together to complete the RTO ('**Proposed Transaction**').

Standard Privilege establishes quality financial platforms to develop the wealth management business in Asia-Pacific. Standard Privilege has obtained relevant licenses to provide Asian institutional and individual clients with comprehensive wealth management services. In addition, Standard Privilege also provides financial services across a number of different third party platforms including wealth management services, insurance brokerage and other financial services through a leading organization in providing financial protection and wealth management, which is one of Standard Privilege's key partners.

Standard Privilege plans to expand its current operations in Greater China, Hong Kong and Macau across the Asia Pacific region, including to countries such as Singapore, Malaysia and Australia.

The RTO Agreement provides for the following key terms.

Acquisition of Standard Privilege

The parties will work together to negotiate and finalise the terms of the Proposed Transaction under which Standard Privilege will pay or procure the payment of monthly funding amounts (refer below) to SLE and transfer the legal and beneficial title of all issued shares in Standard Privilege to SLE in exchange for the issue, by SLE to SW, of fully paid ordinary shares in the capital of SLE, equal to 70% of the fully diluted share capital of SLE as at the relevant date. The final purchase agreement will include a claw back of a specified number of shares to the extent that agreed profit targets over 3 years are not met.

Board Changes

SW will nominate a minimum of 2 directors to the Board within 7 business days of the execution of the RTO Agreement. Existing SLE directors other than Leo Peng and Zhao Yan Shi intend to resign upon completion of due diligence and execution of a definitive agreement for the acquisition of Standard Privilege.

SLE will make a further announcement upon confirmation of the above changes to the Board.

Funding Arrangements

Standard Privilege will pay monthly to SLE an amount equal to SLE's budgeted monthly working capital requirement of that month (comprising of ongoing operational costs of SLE and RTO transaction costs) as notified by SLE (**Monthly Funding Amounts**) during the period from signing of the RTO Agreement and 31 May 2016.

The Monthly Funding Amounts advanced to SLE by Standard Privilege constitute an unsecured recourse loan from Standard Privilege to SLE and are only repayable to the extent that the repayment will not cause balance sheet insolvency or insolvent trading for SLE.

In certain circumstances the Monthly Funding Amounts may be converted into ordinary shares in SLE at the same conversion price as the pricing of shares issued to SW for the acquisition of Standard Privilege.

The funding arrangements may also be replaced with a convertible bond subject to the terms of that bond being agreed by the parties.

SLE should ensure that all cash deposits of the company are transferred to an escrow account and that an Escrow Agreement will be executed by SLE which will provide that:

- (1) certain of the funds may be released and dispersed from the Escrow Account for the purpose of payment to Immense Grow Investments Limited (**IG**) on completion of the Proposed Transaction and certain of the amounts owed by SLE to IG are converted into ordinary shares in SLE on the terms of the IG convertible bond, with any balance to be released to SLE;
- (2) where the Proposed Transaction does not proceed, any and all amounts in the Escrow Account are released to SLE; and
- (3) otherwise any and all amounts in the Escrow Account must be released to SLE.

Conditions

The Proposed Transaction will only be entered into subject to a set of conditions, including:

1. Parties undertaking and being satisfied with targeted due diligence.
2. Parties agreeing to the terms of the Proposed Transaction to their absolute satisfaction.
3. The approval of the Proposed Transaction from shareholders of each party.
4. All necessary legal or regulatory approval for the Proposed Transaction being obtained.
5. The absolute satisfaction of financial terms or metrics as required by SLE.

Default in Obligations

In the circumstance that there is some fault on the part of SW or Standard Privilege (due to negligence or misrepresentation) in connection with the Proposed Transaction not proceeding, Standard Privilege has agreed to pay SLE a separate compensation of A\$500,000.

Trigger Events

If the definitive agreements for the implementation of the Proposed Transaction are not executed by 31 March 2016, the RTO Agreement can be terminated.

If the Proposed Transaction is not completed by 31 May 2016 (extendable by either party to 15 July 2016), the RTO Agreement can be terminated.

SLE will continue to provide updates as and when appropriate on the progress of the acquisition process and on any other material developments.



Signed by
Zhao Yan Shi
Executive Director