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HANERGY THIN FILM POWER GROUP LIMITED

漢能薄膜發電集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 566)

TRANSITIONAL ARRANGEMENTS FOR THE AMENDMENTS TO THE DELISTING FRAMEWORK UNDER THE LISTING RULES

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Hanergy Thin Film Power Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 and 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).

The amendments to the delisting framework under the Listing Rules have come into effect on 1 August 2018 (“Effective Date”). The Board of the Company announces and informs the shareholders and potential investors of the Company that the transitional arrangements for the amendments to the delisting framework will apply to the Company.

Reference is made to the announcements of the Company dated 4 April 2018, 4 September 2017, 23 January 2017, 16 July 2015 and 20 May 2015 (the “Announcements”) in relation to, among others, the suspension of trading in the shares of the Company, as well as the discussion between Securities and Futures Commission of Hong Kong (“SFC”) and the Company to seek resumption of trading in the Company’s shares on the Stock Exchange.

On 20 May 2015, the Company made a request to the Stock Exchange for a trading halt in its shares, pending the release of an announcement containing inside information. Subsequently, the SFC directed the Stock Exchange to suspend trading in the shares of the Company (the “Shares”) with effect from 9:00 a.m. on 15 July 2015, under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong). As the Shares of the Company will have been suspended from trading for more than 12 months as at the Effective Date of the amendments to the delisting framework under the Listing Rule, in accordance with Rule 6.01A(2)(b)(ii) of the Listing Rules, the Stock Exchange may cancel the Company’s listing if trading in the Shares has remained suspended for 12 continuous months from the Effective Date.

The 12-month period will expire on 31 July 2019. If the Company fails to resume trading in the Shares of the Company by 31 July 2019, the Listing Department of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. This is subject to the Stock Exchange's right to impose a shorter specific remedial period under Rule 6.10 of the Listing Rules where appropriate.

UPDATE ON RESUMPTION OF TRADING

Based on the discussion between the SFC and the Company, the SFC has imposed two resumption requirements on the Company. The first resumption requirement is to complete the civil proceedings under section 214 of the Securities and Futures Ordinance (Cap. 571) (the "Section 214 Proceedings") and seek court orders by the SFC. The second resumption requirement is the publication of a disclosure document by the Company (the "Disclosure Document") which will provide detailed disclosures of the information on, amongst others, the Company's activities, businesses, assets, liabilities, financial performance and prospects, and the engagement of a financial adviser to conduct due diligence, for the consideration of the SFC in regards to the Company's application for the lifting of suspension pursuant to Rule 9 of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) (the "Stock Market Rules"). The powers of the SFC under Rule 9 of the Stock Market Rules may only be exercised by a meeting of the SFC and are not delegable.

The SFC's first resumption requirement was fulfilled on 4 September 2017. In respect of the second resumption requirement, as disclosed in the Company's announcement published on 4 April 2018, the Company has submitted the Disclosure Document to the SFC. The Company is currently responding and addressing to the issues and concerns raised by the SFC in respect to the Disclosure Document, which will be subsequently submitted to the board of directors of the SFC for the consideration and approval of the Company's application for the lifting of suspension pursuant to Rule 9 of the Stock Market Rules.

Achieving good results in business development and diversifying income streams

The Group has successfully expanded innovative business and diversified its income streams and business segments in recent years, without sole reliance on the connected transactions between the Group and Hanergy Holdings and its affiliates ("Hanergy Affiliates"). All secured indebtedness owed by Hanergy Affiliates to the Group was repaid in full by the end of March 2018, which was one and a half year earlier than scheduled.

The Group has achieved satisfactory progress in upstream and downstream business. In line with the national energy restructuring and local economic transformation, the Group entered into a number of "mobile energy industrial parks" projects since 2017 in relation to equipment and services sales orders of significant amounts. During the economic transformation, local governments established the modern "high-tech + energy" industry chain, which embodies the research and development of thin film cell technologies, high-end equipment manufacturing, modules production and the research and development of application products, indicating its proactive planning for the strategic emerging industries, as well as its confidence and support to the advanced and new thin-film solar technology.

As for downstream PV applications, the Group has made significant achievements with the business model with distributor, which has become the most important sales channel in downstream business. With the focus on the growing demand from residential power generation projects, the Company has successfully developed a large pool of active distributors. The expansion to foreign distributors have commenced in recent years, laying a solid foundation for the Group's future development.

With the development of science and technology, the Group integrated the green concept into all aspects of life. Leveraged on the edge of its own innovative technology and through enormous input of resources and efforts, the Group applies thin film solar power generation in daily life, introducing a variety of pioneering products with the application of distributed thin film, including the newly launched single glass "HanTile" (漢瓦) in April this year, which features lighter, thinner, more appealing appearance and outstanding performance as compared to the double glass launched last year, creating significant commercial and environmental values to construction materials usage. The "Humbrella" (漢傘) launched at the end of April for the year is the first multi-functional umbrella based on flexible thin-film solar power generation technology in the world, featuring four major functions of off-grid power supply, power storage, lighting at night and terminal charging.

In addition, "HanPack" (漢包), the new product designed with attractive appearance and launched in June this year by the Group, can store the electricity generated from solar energy in the backpack and supply electricity to electronic devices such as mobile phones and laptops through USB charging port. As for the newly designed "HanPaper" (漢紙), which is equipped with magnetic power storage modules of 5000mAh by utilizing flexible co-evaporation thin film solar energy technology for supporting Qi standard wireless charging, can perform wireless charging. This array of new products cover different aspects of the daily life of urban and rural residents including smart wear, home life, electronic devices and outdoor sports gear, providing more convenient and rapid mobile energy experience for users, thereby meeting the market demand for mobile energy solutions for mobile communication, outdoor sport and activities as well as emergency rescue.

The expansion of these innovative businesses will further diversify the Group's income streams and enrich the structure of revenue from the Group's diversification efforts. As a result, the Group will conduct less connected transactions with Hanergy Affiliates, which will further address the SFC's concern.

Making its best endeavours to seek for resumption of trading at the earliest possible opportunity

Regarding the two resumption requirements imposed by the SFC, the first one has been fulfilled. As for the second resumption requirement, the Company has prepared and submitted the Disclosure Document to the SFC, pending for the consideration and approval of the SFC on the Company's application of lifting of suspension under Rule 9 of the Stock Market Rules.

The Group has addressed the SFC's concerns by solving its two previous core issues and suspension reasons, namely (1) the indebtedness due from Hanergy Holdings and its affiliates to the Group, and (2) the exceedingly high income from connected transactions.

The Company has and will continue to use its best endeavours to fulfill the resumption requirements imposed by the SFC on the Company and seek the resumption of trading in its shares on the Stock Exchange as soon as possible. The Company will make further announcement(s) on the progress of the second resumption requirement when appropriate, to inform the Company's shareholders and potential investors.

Meanwhile, the shares of the Company continue to be suspended from trading on the Stock Exchange. There is no guarantee that the trading of the Company's shares on the Stock Exchange will resume. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, legal adviser or other professional advisers.

By order of the Board
Hanergy Thin Film Power Group Limited
Yuan Yabin
Chairman

Hong Kong, 1 August 2018

As at the date of hereof, the executive Directors of the Company are Mr. Yuan Yabin (Chairman), Dr. Lam Yat Ming Eddie (Vice Chairman), Mr. Si Haijian (Chief Executive Officer), Mr. Huang Songchun (Financial Controller), Mr. Xu Xiaohua and Mr. Zhang Bin; and the independent non-executive Directors are Mr. Lo Man Tuen, G.B.S., JP, Professor He Xiaofeng, Professor Zhang Qiusheng and Mr. Wang Dan.