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China Singyes Solar Technologies Holdings Limited

中國興業太陽能技術控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

US\$260,000,000 7.95% senior notes due 2019

(Stock Code: 5372)

RMB930 million 5% USD settled convertible bonds due 2019

(Stock Code: 5790)

**(1) ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE
RULE 13.09 OF THE LISTING RULES**

AND

PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE

AND

(2) RESUMPTION OF TRADING

This announcement is made pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of China Singyes Solar Technologies Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, the Company, Strong Eagle Holdings Limited (“**Strong Eagle**”) (a company which is owned by Mr. Liu Hong Wei (“**Mr. Liu**”, the chairman of the Company and an executive Director), Mr. Sun Jinli, Mr. Xie Wen (an executive Director), Mr. Xiong Shi (an executive Director) and Mr. Zhuo Jianming (a non-executive Director), as to 53%, 15%, 14%, 9% and 9% respectively and as at the date of this

announcement and directly and beneficially holds 306,483,750 Shares, representing approximately 36.75% of the entire issued share capital of the Company) entered into a memorandum of understanding (the “**MOU**”) on 9 January 2019 with Shuifa Energy Group Limited* (水發能源集團有限公司) (the “**Potential Purchaser**”) regarding (i) the possible sale and purchase of certain ordinary shares (“**Shares**”) in the share capital of the Company currently owned by Strong Eagle (the “**Possible Share Transfer**”); and (ii) the possible subscription by the Potential Purchaser of certain new Shares (“the **Possible Subscription**”, together with the Possible Share Transfer, the “**Possible Transaction**”). The Potential Purchaser and its beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules). The Potential Purchaser is a company established in the People’s Republic of China, whose ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council of the Shandong Province of the PRC* (山東省國有資產監督管理委員會).

MOU

The Possible Transaction is subject to the further negotiation and execution of (1) a formal sale and purchase agreement between Strong Eagle and the Potential Purchaser; and (2) a formal subscription agreement between the Company and the Potential Purchaser, both of which shall be entered into by the parties no later than 2 months from the date of the MOU. Under the MOU, Strong Eagle and the Company shall not directly or indirectly negotiate or agree with any other party relating to the Possible Transaction for a period of 2 months from the date of the MOU (or such longer period as the parties may agree) (the “**Exclusive Period**”).

The MOU does not create legally binding obligations on the parties in relation to the Possible Transaction but is legally binding as to such terms relating to due diligence, due diligence expenses, Exclusive Period, confidentiality, legally binding effects, expenses, no firm intention, counterparts, amendments and governing law and dispute resolutions.

Completion of the Possible Share Transfer and the Possible Subscription is expected to take place on the same date. It is contemplated that the Potential Purchaser will own not less than 50.1% of the enlarged issued share capital of the Company upon and by virtue of completion of the Possible Transaction. The Potential Purchaser has been conducting due diligence on the assets, liabilities, businesses and operations of the Group since the entering into of the MOU. It is contemplated that completion of the Possible Transaction shall be subject to a number of conditions, including but not limited to the following conditions precedent:

- (a) the Potential Purchaser being satisfied with the due diligence results in relation to the Group;

- (b) the Company and its creditors having reached an agreement on a debt restructuring plan (the “**Plan**”) that is satisfactory to the Potential Purchaser and such Plan having obtained all relevant approvals and consents;
- (c) the Possible Transaction and the Plan having been approved by the relevant board and shareholders of each of the parties to the MOU (if required);
- (d) the Possible Transaction and the Plan having been approved by the onshore and offshore creditors of the Company and courts of relevant jurisdictions (if required); and
- (e) all the necessary approvals, consents, permissions and/or authorisations (including without limitation from the relevant governmental authorities of the PRC, the Securities and Futures Commission and the Stock Exchange) in accordance with laws, regulations or other sources having been obtained with respect to the Possible Transaction and the Plan.

POSSIBLE GENERAL OFFER

Subject to the formal agreement(s) being entered into and the satisfaction or waiver (as the case maybe) of such conditions precedent to completion as may be specified therein, it is contemplated that upon completion of the Possible Transaction, the Potential Purchaser and parties acting in concert with it will hold not less than 50.1% of the enlarged issued share capital of the Company. In accordance with the requirement of the Takeovers Code, if the Possible Transaction materialises and is completed, the Potential Purchaser will be required to make a mandatory offer for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

If the Possible Transaction materialises, it will lead to a change in control of the Company and a mandatory general offer under Rule 26.1 of the Takeovers Code. As at the date of this announcement, no formal and/or binding agreements have been entered into in respect of the Possible Transaction, and the discussion is still in progress and the Possible Transaction may or may not proceed.

SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has a total of (i) 834,073,195 Shares in issue; (ii) outstanding options to subscribe for up to 36,500,335 Shares granted under the Company’s share option scheme adopted on 19 December 2008 and (iii) outstanding convertible bonds which upon exercise in full of the conversion rights attached thereto will be convertible into 7,852,514 Shares. Save for the aforesaid, there are no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period is deemed to commence on the date of this announcement, being 22 January 2019.

The associates (as defined in the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities) of the Company and the Potential Purchaser are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 10 January 2019 in relation to the termination of the Placement, lapse of the Placing and updates on the financial information of the Company (the “**Announcement**”). Capitalised terms used herein shall have the meanings as defined in the Announcement, unless the context otherwise requires.

Trading in the Shares and debt securities (Codes: 5790 and 5372) issued by the Company was halted with effect from 9:00 a.m. on 15 October 2018 pending the publication of the Announcement and has remained halted pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares of the Company with effect from 9:00 a.m. on 23 January 2019. Trading in the debt securities issued by the Company will remain halted until further notice.

WARNINGS

There is no assurance that the Possible Transaction will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of the Takeovers Code. The Possible Transaction may or may not proceed.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board
China Singyes Solar Technologies Holdings Limited
Liu Hongwei
Chairman

Hong Kong, 22 January 2019

As at the date of this announcement, the executive Directors are Mr. Liu Hongwei (Chairman), Mr. Xie Wen and Mr. Xiong Shi, the non-executive Directors are Dr. Li Hong and Mr. Zhuo Jianming, and the independent nonexecutive Directors are Dr. Wang Ching, Mr. Yick Wing Fat, Simon and Dr. Tan Hongwei.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

**For identification purposes only*