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漢能移動能源控股集團有限公司
HANERGY MOBILE ENERGY
HOLDING GROUP CO., LTD*
*(Incorporated in the People's Republic of China with
limited liability)*


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)*

**JOINT ANNOUNCEMENT
(1) PROPOSAL ON
HANERGY THIN FILM POWER GROUP LIMITED BY
HANERGY MOBILE ENERGY HOLDING GROUP CO., LTD
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE BERMUDA COMPANIES ACT)**

AND

**(2) PROPOSED WITHDRAWAL OF LISTING OF
HANERGY THIN FILM POWER GROUP LIMITED**

Financial Adviser to the Offeror


BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

INTRODUCTION

Reference is made to (i) the announcements issued by the Company on 1 November 2018, 2 November 2018, 6 November 2018, and 7 December 2018, and (ii) the News Release.

The Offeror Board and the Board jointly announce that, on 21 December 2018, the Offeror requested the Board to put forward to the Scheme Shareholders a proposal in respect of the securities of the Company by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act and an offer to be made to the Optionholders. The Offeror is the controlling shareholder of the Company, indirectly holding 20,320,245,121 Shares which represent approximately 48.21% of the issued share capital of the Company as at the date of this joint announcement.

The Offeror has appointed BaoQiao Partners as its financial adviser in connection with the Proposal.

CLARIFICATION

While the News Release provided that the Offeror “*had decided to offer privatization to all investors that possess stocks of the listed company, offering price is no less than 5 HK dollars per share, with cash purchase or stock replacement*”, the Offeror would like to clarify that it resolved that the Proposal will only be implemented by way of stock replacement (and not cash purchase).

The ultimate objective of the Proposal is to pave the way for the businesses of the Company to be put under a company to be listed on a stock exchange in the PRC, as described in the section “PROPOSED A-SHARE LISTING” in this joint announcement.

However, it is not certain whether the A-Share Listing can be achieved. If the A-Share Listing cannot be completed, the Independent Shareholders will be holding onto unlisted SPV Shares for which there is no exchange platform for transfers. Even if the A-Share Listing is completed, there is no certainty as to (a) when and how the SPV will be able to dispose of the A-Share Listco Shares; (b) at what price the A-Share Listco Shares can be sold; and (c) when the cash exit can be available to the Independent Shareholders, via the proposed A-Share Listing. Upon consultation with the Executive and given the above uncertainties, the Offeror is required not to attribute any monetary value to (i) the Proposal and (ii) any potential cash exit for the Independent Shareholders.

THE PROPOSAL

The Proposal, if made, will provide that all the Scheme Shares be cancelled and, in consideration thereof, the Scheme Shareholders will be entitled to receive the Cancellation Consideration on the following basis:

for each Scheme Share one SPV Share

Under the Scheme, the Cancellation Consideration will be satisfied by way of SPV Shares.

The Scheme will not involve any cash payment by the Offeror and/or parties acting in concert with it to the Scheme Shareholders.

The SPV

For the purpose of the Scheme and in order to facilitate the future A-Share Listing according to relevant PRC securities regulations, an SPV will be established in a jurisdiction outside the PRC with one class of shares, the SPV Shares. The Offeror (or its relevant subsidiary) will obtain all issued SPV Share(s) after the establishment of the SPV and appoint its representatives to be directors of the SPV.

When the total number of Shares held by the Scheme Shareholders is ascertained before the Scheme becomes effective, the Offeror will subscribe for further SPV Shares at par value (if there is a par value) and fully pay for such shares. It is to ensure that the number of SPV Shares will be the same as the number of Shares held by the Scheme Shareholders when the Scheme becomes effective.

Upon the Scheme becoming effective, the Offeror will transfer all such fully paid-up SPV Shares to the Independent Shareholders. Thereafter, the SPV will be wholly-owned by the Independent Shareholders.

Option Offer

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the holders of the Outstanding Share Options in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective.

Under the Option Offer, the SPV will issue SPV Share Options on a one-to-one basis to actualize the “see-through” price for each Outstanding Share Option they hold for the cancellation of every vested and unvested Share Option in accordance with Rule 13 of the Takeovers Code. The exercise price for each SPV Share Option is exactly the same as the exercise price of the Share Option.

Under the Option Offer, the SPV Share Options are expected to be issued by the SPV upon the Effective Date.

The Option Offer will not involve any cash payment by the Offeror and/or parties acting in concert with it to the Optionholders.

Conditions of the Proposal

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to fulfillment (or where applicable, waiver) of the Conditions.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court of Bermuda may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

REASONS AND BENEFITS OF THE PROPOSAL

Trading in the Shares has been suspended since 20 May 2015. It is highly uncertain whether trading in the Shares can be resumed before the end of July 2019 which is a deadline applied to the Company under Rule 6.01A(2)(b) of the Listing Rules. The Independent Shareholders will find it extremely hard to dispose of the Shares or realize any value in the Shares in lack of a stock exchange or a public trading platform for the Shares.

The Proposal provides a possible way for the Independent Shareholders to unlock the value in the Shares. The ultimate objective of the Proposal is to pave the way for the businesses of the Company to be put under a company to be listed on a stock exchange in the PRC, and therefore it is expected that the Independent Shareholders may eventually obtain cash from the SPV disposing of A-Share Listco Shares after the completion of the Proposal.

The Offeror has sought advice from PRC legal advisers that it is not feasible to achieve the A-Share Listing if the Company has a large number of non-PRC Independent Shareholders as it is the case currently. Further, the Offeror's PRC legal advisers confirmed that it is feasible under the PRC laws and regulations for A-Share Listco to make application for A-Share Listing if the Independent Shareholders hold the entire share capital of the SPV and the SPV is one of the shareholders of the A-Share Listco as depicted in Diagram 3 under the section "PROPOSED A-SHARE LISTING" in this joint announcement.

The Offeror Board believes that the Proposal offers the Independent Shareholders an opportunity to swap their Shares for SPV Shares in connection with the proposed A-Share Listing.

PROPOSED A-SHARE LISTING

The following steps are proposed to be conducted after the completion of the Proposal but are not part of the Proposal.

Streamlining Step

- (a) After further due diligence conducted by the Offeror, the Offeror will identify a subsidiary (the "**A-Share Listco**") as the company which fulfils the relevant listing requirements in the PRC and is proposed to apply for listing on a stock exchange in the PRC (the "**A-Share Listing**").

- (b) The Company will buy-back all Shares from SPV by cash, and the SPV will use the same amount of cash to subscribe for new shares in the A-Share Listco (the “**A-Share Listco Shares**”). After such subscription, SPV’s shareholding in A-Share Listco will be the same percentage as its shareholding in the Company immediately before such Shares buy-back.
- (c) Also, the shareholding structure in the Company will be streamlined so that A-Share Listco will be the only shareholder of the Company. Such streamlining procedures are being ascertained and this step will not involve any cash payment by the Offeror and/or parties acting in concert with it to the Independent Shareholders.
- (d) The Streamlining Step will not bring about a reduction in net assets within the group of A-Share Listco and the Company. The shareholding interest to be held by the Independent Shareholders in the SPV will remain the same throughout the Streamlining Step.

The Offeror and its PRC advisers have commenced due diligence as described in paragraph (a) above. The Offeror anticipates that the Streamlining Step will be completed within 6 months from the completion of the Proposal. However, the Streamlining Step will also be subject to completion of the procedures required under the PRC laws and regulations and approvals of the relevant PRC authorities. Thus, the Offeror is not able to give a commitment on when the Streamlining Step will be completed although it will use its best endeavours to facilitate the Streamlining Step.

A-Share Listing Step

- (a) A-Share Listco will apply for A-Share Listing as stated in above Streamlining Step.
- (b) In order to allow the Independent Shareholders to benefit from the A-Share Listing, A-Share Listco will apply to the CSRC for the SPV to dispose of a certain percentage of A-Share Listco Shares held by the SPV as part of the offer shares in the A-Share Listing, subject to the approval from CSRC (the “**Sale Shares**”). The purpose is to allow the Independent Shareholders to obtain cash from the disposal of the Sale Shares without being subject to the post-IPO lock-up period ordinarily applied to existing shareholders of a listing applicant. The other part of the offer shares will be new shares to be issued by A-Share Listco at the same offer price of the Sale Shares.

The remaining A-Share Listco Shares held by the SPV will be disposed of after the lock-up period applicable to the SPV as a shareholder of A-Share Listco and in accordance with the applicable laws and regulations in the PRC.

- (c) The Offeror will also explore the possibility of requiring A-Share Listco to buy back certain amount of A-Share Listco Shares held by the SPV (the “**Bought Back Shares**”) after the A-Share Listing is completed.
- (d) If any entity/person is interested in investing in A-Share Listco as a pre-IPO investor, the Offeror and/or parties acting in concert with it will discuss with the investor as to whether it will consider acquiring wholly or partially the A-Share Listco Shares (the “**Transfer Shares**”) held by the SPV.
- (e) The SPV will engage PRC financial advisers which are independent of the Offeror and its concert parties to provide advice to the SPV on the disposals of A-Share Listco Shares before the A-Share Listing, as part of the A-Share Listing and after the A-Share Listing, in order to safeguard the interests of the Independent Shareholders.
- (f) After the SPV has received the sale proceeds of any batch of the Sale Shares, Bought Back Shares and/or Transfer Shares, it will arrange to distribute the entire cash sale proceeds to all Independent Shareholders in proportion to their respective holdings of SPV Shares as soon as practicable subject to the relevant PRC rules and regulations as well as approval(s) from the Relevant Authorities.
- (g) When the SPV has disposed of all A-Share Listco Shares held by it and made all cash distributions of the sale proceeds to the Independent Shareholders, the board of directors of the SPV will proceed to liquidate the SPV.

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Board will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange as soon as practicable following the effective date of the Scheme.

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses before the end of July 2019.

The Board would like to point out that trading in the Shares has been suspended since 20 May 2015. If trading in the Shares cannot be resumed before the end of July 2019 which is the deadline applied to the Company under Rule 6.01A(2)(b) of the Listing Rules, the delisting procedure will proceed in accordance with the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises the following independent non-executive Directors, Mr. Lo Man Tuen, Professor He Xiaofeng, Professor Zhang Qiusheng and Mr. Wang Dan, has been established for the purpose of making a recommendation to (i) the Independent Shareholders as to (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and (b) whether to vote in favour of the Scheme at the Court Meeting and the SGM; and (ii) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal, the Scheme and the Option Offer. An announcement will be published in relation to the appointment of the Independent Financial Advisor pursuant to the requirements of the Takeovers Code and the Listing Rules.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, amongst others, further details of the Proposal, the Scheme, the Option Offer, the expected timetable for implementation of the Proposal, an explanatory memorandum as required under the Bermuda Companies Act, information regarding the Company and the Offeror, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, the letter of advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of the SGM as well as the particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Bermuda Companies Act, and other applicable laws and regulations.

WARNINGS

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore 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, solicitor or other professional advisers.

If the Proposal is completed, the Independent Shareholders will hold SPV Shares and they will no longer directly hold any Shares. Their interests will effectively be in a non-listed company with diminished minority protection rights because the SPV is not subject to the Listing Rules or the relevant provisions of the SFO. Further, the SPV may be established in a jurisdiction apart from Hong Kong and such jurisdiction may not provide the same level of minority protection rights as in Hong Kong.

Shareholders and potential investors should be aware that none of the Offeror or parties acting in concert with it, the SPV, the Company and BaoQiao Partners will give any guarantee of whether, when and how the A-Share Listing, including but not limited to A-Share Listing group structure, size and method of pre-IPO and IPO fundraising, etc. can be achieved. Further, none of them will provide any compensation (in cash or in any other form) to the Independent Shareholders if the A-Share Listing cannot be achieved after a certain period of time.

If the A-Share Listing cannot be completed, the Independent Shareholders will be holding on to unlisted SPV Shares for which there is no exchange platform for transfers.

Even if the A-Share Listing is completed, there is no certainty as to (a) when and how the SPV will be able to dispose of the A-Share Listco Shares; (b) at what price the A-Share Listco Shares can be sold; and (c) when the cash exit can be available to the Independent Shareholders, via the proposed A-Share Listing. Therefore, it is highly uncertain that the value of the Shares can be unlocked or realized, and that any cash exit can be available to the Independent Shareholders, which is subject to relevant PRC rules and regulations as well as approval(s) from the Relevant Authorities via the proposed A-Share Listing.

INTRODUCTION

Reference is made to (i) the announcements issued by the Company on 1 November 2018, 2 November 2018, 6 November 2018, and 7 December 2018, and (ii) the News Release.

The Offeror Board and the Board jointly announce that, on 21 December 2018, the Offeror requested the Board to put forward to the Scheme Shareholders a proposal in respect of the securities of the Company by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act and an offer to be made to the Optionholders. The Offeror is the controlling shareholder of the Company, indirectly holding 20,320,245,121 Shares which represent approximately 48.21% of the issued share capital of the Company as at the date of this joint announcement.

CLARIFICATION

While the News Release provided that the Offeror “*had decided to offer privatization to all investors that possess stocks of the listed company, offering price is no less than 5 HK dollars per share, with cash purchase or stock replacement*”, the Offeror would like to clarify that it resolved that the Proposal will only be implemented by way of stock replacement (and not cash purchase).

The ultimate objective of the Proposal is to pave the way for the businesses of the Company to be put under a company to be listed on a stock exchange in the PRC, as described in the section “PROPOSED A-SHARE LISTING” in this joint announcement.

However, it is not certain whether the A-Share Listing can be achieved. If the A-Share Listing cannot be completed, the Independent Shareholders will be holding onto unlisted SPV Shares for which there is no exchange platform for transfers. Even if the A-Share Listing is completed, there is no certainty as to (a) when and how the SPV will be able to dispose of the A-Share Listco Shares; (b) at what price the A-Share Listco Shares can be sold; and (c) when the cash exit can be available to the Independent Shareholders, via the proposed A-Share Listing. Upon consultation with the Executive and given the above uncertainties, the Offeror is required not to attribute any monetary value to (i) the Proposal and (ii) any potential cash exit for the Independent Shareholders.

TERMS OF THE PROPOSAL

(1) Scheme

Cancellation Consideration

The Proposal, if made, will provide that all the Scheme Shares be cancelled and, in consideration thereof, the Scheme Shareholders will be entitled to receive the Cancellation Consideration on the following basis:

for each Scheme Share one SPV Share

Under the Scheme, the Cancellation Consideration will be satisfied by way of SPV Shares.

The Scheme will not involve any cash payment by the Offeror and/or parties acting in concert with it to the Scheme Shareholders.

As at the date of this joint announcement, the Company has 42,145,676,048 Shares in issue and 31,940,000 Outstanding Share Options.

On 20 May 2010, Hanergy Holding and the Company (formerly known as Apollo Solar Energy Technology Holdings Limited) entered into a subscription agreement (the “**Subscription Agreement**”), pursuant to which Hanergy Holding would subscribe for an aggregate of 4,911,528,960 Shares (the “**Subscription Shares**”) at

the subscription price of HK\$0.239 per Subscription Share. The Subscription Shares will be issued in three tranches subject to fulfillment (or waiver) of the conditions set out in the Subscription Agreement. The first tranche of 1,964,611,584 Subscription Shares at the subscription price of HK\$0.239 per Subscription Share was issued on 27 February 2013. Due to the conditions of issuance of the second and third tranches of Subscription Shares have not been fulfilled (or waived) in accordance with the Subscription Agreement and its supplementary agreements as at the date of this joint announcement, the second tranche of 1,473,458,688 Subscription Shares and the third tranche of 1,473,458,688 Subscription Shares will not be issued to Hanergy Holding.

Save for as disclosed above and below in the section headed “(2) Option Offer”, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of securities in the Company as at the date of this joint announcement.

Highest and Lowest Prices of Shares

As trading in the Shares has been suspended since 10:40 a.m. on 20 May 2015, information about the closing prices of the Shares on the Stock Exchange during the six months preceding the commencement of the Offer Period (the “**Relevant Period**”) is not available, and neither are the highest and lowest closing prices of the Shares during the Relevant Period. The last closing price before suspension of trading was HK\$3.91.

The SPV

For the purpose of the Scheme and in order to facilitate the future A-Share Listing according to relevant PRC securities regulations, an SPV will be established in a jurisdiction outside the PRC with one class of shares, the SPV Shares. The Offeror (or its relevant subsidiary) will obtain all issued SPV Share(s) and appoint its representatives to be directors of the SPV.

When the total number of Shares held by the Scheme Shareholders is ascertained before the Scheme becomes effective, the Offeror will subscribe for further SPV Shares at par value (if there is a par value) and fully pay for such shares. It is to ensure that the number of SPV Shares will be the same as the number of Shares held by the Scheme Shareholders when the Scheme becomes effective.

Upon the Scheme becoming effective, the Offeror will transfer all such fully paid-up SPV Shares to the Independent Shareholders. Thereafter, the SPV will be wholly-owned by the Independent Shareholders.

(2) Option Offer

As at the date of this joint announcement, there are 31,940,000 Outstanding Share Options granted under the Share Option Scheme, of which 1,200,000 Share Options are held by Dr. Lam Yat Ming Eddie (being an executive Director) and the remaining 30,740,000 Share Options are held by other employees of the Group. As at the date of this joint announcement, the Offeror and the parties acting in concert with it do not hold any Share Options.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the holders of the Outstanding Share Options in accordance with Rule 13 of the Takeovers Code. The Option Offer will be conditional upon the Scheme becoming effective.

Under the Option Offer, the SPV will issue SPV Share Options on a one-to-one basis to actualize the “see-through” price for each Outstanding Share Option they hold for the cancellation of every vested and unvested Share Option in accordance with Rule 13 of the Takeovers Code. The exercise price for each SPV Share Option is exactly the same as the exercise price of the Share Option.

Exercise price (HK\$)	Outstanding Share Options		Exercise price (HK\$ or equivalent)	SPV Share Options	
	Total number (vested and unvested)	Exercise period (MM/DD/YYYY)		Total number	Exercise period (MM/DD/YYYY)
1.716	18,360,000	27/10/2014- 31/10/2019	1.716	18,360,000	From Effective Date to 31/10/2019
3.61	6,300,000	30/1/2015- 29/1/2020	3.61	6,300,000	From Effective Date to 29/1/2020
6.91	7,280,000	16/4/2015- 15/4/2020	6.91	7,280,000	From Effective Date to 15/4/2020

Under the Option Offer, the SPV Share Options are expected to be issued by the SPV upon the Effective Date.

Further information on the Option Offer will be set out in a letter to the holders of the Outstanding Share Options, which will be despatched at or around the same time as the despatch of the Scheme Document.

If any of the Outstanding Share Options is vested and exercised in accordance with the terms of the Share Option Scheme on or before the Record Date, any Shares so issued will be subject to and eligible to participate in the Scheme.

The Option Offer will be extended to all Outstanding Share Options in issue, whether or not such Outstanding Share Options have been vested, on the date on which the Option Offer is made.

The Option Offer will not involve any cash payment to the Optionholders by the Offeror and/or parties acting in concert with it.

(3) Conditions of the Proposal

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to fulfillment (or where applicable, waiver) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders, present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) against the resolution to approve the Scheme is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders;
- (c) the passing of a special resolution by the Shareholders (other than those who are prohibited from voting under relevant laws, rules or regulations) present and voting in person or by proxy at the SGM to approve and give effect to (i) the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the issue and allotment of new Shares of such number as is equal to the number of Scheme Shares cancelled immediately thereafter to the SPV;
- (d) the sanction of the Scheme (with or without modifications) by the Supreme Court of Bermuda and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court of Bermuda for registration;
- (e) the necessary compliance with the procedural requirements and conditions (if any) of the Bermuda Companies Act in relation to the Scheme and the reduction of the issued share capital of the Company under section 46(2) of the Bermuda Companies Act respectively;

- (f) all authorisations (if any) in connection with the Proposal from or with (as the case may be) the Relevant Authorities in the PRC, Hong Kong, Bermuda and/or any other relevant jurisdictions having been obtained and, if applicable, any waiting periods having expired or terminated (in each case where such authorisation is material in the context of the Group as a whole and in the context of the Proposal);
- (g) all authorisations (if any) remaining in full force and effect without verification, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective (in each case where such authorisation is material in the context of the Group as a whole and in the context of the Proposal);
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (i) since the date of this joint announcement, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Company and its subsidiaries taken as a whole or in the context of the Proposal); and
- (j) since the date of this joint announcement, no litigation, arbitration proceedings, prosecution or other legal proceedings being instituted against any member of the Group and no such proceedings being threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court in respect of any such member or the business carried on by any such member having been threatened in writing, announced or instituted), in each case which is material and adverse in the context of the Group taken as a whole and in the context of the Proposal.

Conditions (a) to (e) cannot be waived in any event.

The Offeror reserves the right to waive Conditions (f) to (j) either in whole or in part, either generally or in respect of any particular matter. The Offeror may not invoke Conditions (f) or (g) unless any of the authorisations or actions referred in those Conditions are either not obtained or are obtained subject to conditions imposed by the Relevant Authorities and any of those conditions cannot reasonably be satisfied by the Offeror or is otherwise unduly burdensome or onerous to the Offeror or parties acting in concert with it.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Supreme Court of Bermuda may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

(4) Restoration of the share capital of the Company

Under the Scheme, the share capital of the Company will, on the Effective Date, be reduced by the cancellation and extinguishment of the Scheme Shares, and immediately upon such reduction of capital taking effect, the share capital of the Company will be restored to the amount immediately before the cancellation of the Scheme Shares by the issue to the SPV of such number of new Shares as is equal to the number of Scheme Shares cancelled. This will be conducted by the Company applying the credit amount arising in its books of account as a result of the capital reduction brought about by the cancellation of the Scheme Shares in paying up in full at par the new Shares to be allotted and issued, credited as fully paid, to the SPV.

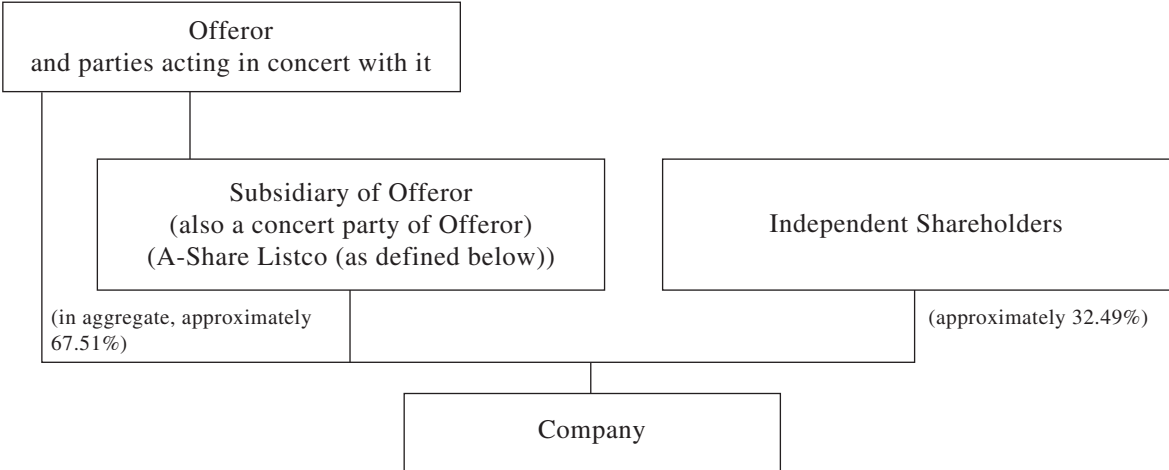
WARNINGS:

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore 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, solicitor or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

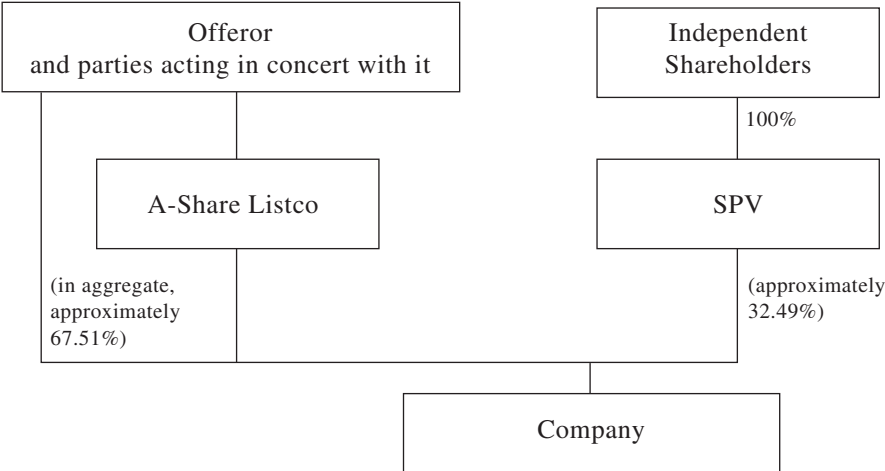
As at the date of this joint announcement, the existing shareholding structure of the Company is summarized in Diagram 1 as follows:

Diagram 1



When the Scheme becomes effective, the SPV will be owned 100% by the Scheme Shareholders and has only one piece of asset – the Shares, as depicted in Diagram 2 below.

Diagram 2



Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement and (ii) immediately upon completion of the Proposal, assuming that there are no changes to the issued share capital of the Company after the date of this joint announcement:

Shareholders	As at the date of this joint announcement		Upon completion of the Proposal	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<i>Offeror and parties acting in concert with it</i>				
Offeror via its subsidiaries (see Note 1)	20,320,245,121	48.21	20,320,245,121	48.21
漢能光伏科技有限公司 (see Note 1)	700,000,000	1.66	700,000,000	1.66
Hanergy Holding and Others (see Note 2)	7,433,987,900	17.64	7,433,987,900	17.64
SPV	–	–	13,691,443,027	32.49
<i>Independent Shareholders</i>				
Independent Shareholders	13,691,443,027	32.49	–	–
Total	42,145,676,048	100.00	42,145,676,048	100.00

Notes:

- (1) The Offeror is beneficially owned as to 99.75% and 0.25% by 漢能光伏科技有限公司 and 河源漢鼎能源科技有限公司. 漢能光伏科技有限公司 is beneficially owned as to 48.08% and 51.92% by 麗江博雅太和新能源投資顧問有限公司 and 河源漢鼎能源科技有限公司 respectively as at the date of this joint announcement. Mr. Li Hejun beneficially owns 98% and 99.1% interest in respectively 麗江博雅太和新能源投資顧問有限公司 and 河源漢鼎能源科技有限公司. Therefore, Mr. Li Hejun is the ultimate controlling shareholder of the Offeror.
- (2) “Others” refers to 江蘇武進漢能薄膜太陽能有限公司 (Hanergy Holding’s wholly-owned subsidiary) and Li Weijun, a shareholder of Hanergy Holding and Mr. Li Hejun’s brother.

IRREVOCABLE COMMITMENTS

As at the date of this joint announcement, no irrevocable commitment to vote for or against the Scheme at the Court Meeting or the SGM has been received by the Offeror, the Company or any persons acting in concert with any of them.

REASONS AND BENEFITS OF THE PROPOSAL

Trading in the Shares has been suspended since 20 May 2015. It is highly uncertain whether trading in the Shares can be resumed before the end of July 2019 which is a deadline applied to the Company under Rule 6.01A(2)(b) of the Listing Rules. The Independent Shareholders will find it extremely hard to dispose of the Shares or realize any value in the Shares in lack of a stock exchange or a public trading platform for the Shares.

The Proposal provides a possible way for the Independent Shareholders to unlock the value in the Shares. The ultimate objective of the Proposal is to pave the way for the businesses of the Company to be put under a company to be listed on a stock exchange in the PRC, and therefore it is expected that the Independent Shareholders may eventually obtain cash from the SPV disposing of A-Share Listco Shares after the completion of the Proposal.

The Offeror has sought advice from PRC legal advisers that it is not feasible to achieve the A-Share Listing if the Company has a large number of non-PRC Independent Shareholders as it is the case currently. Further, the Offeror's PRC legal advisers confirmed that it is feasible under the PRC laws and regulations for A-Share Listco to make application for A-Share Listing if the Independent Shareholders hold the entire share capital of the SPV and the SPV is one of the shareholders of the A-Share Listco as depicted in Diagram 3 under the section "PROPOSED A-SHARE LISTING" in this joint announcement.

The Offeror Board believes that the Proposal offers the Independent Shareholders an opportunity to swap their Shares for SPV Shares in connection with the proposed A-Share Listing.

Independent Shareholders are directed to refer to the section in this joint announcement headed "PROPOSED A-SHARE LISTING" for details of the Proposal.

Warnings:

Shareholders and potential investors should be aware that none of the Offeror or parties acting in concert with it, the SPV, the Company and Baoqiao Partners will give any guarantee of whether, when and how the A-Share Listing, including but not limited to A-Share Listing group structure, size and method of pre-IPO and IPO fundraising, etc. can be achieved. Further, none of them will provide any compensation (in cash or in any other form) to the Independent Shareholders if A-Share Listing cannot be achieved after a certain period of time.

If the A-Share Listing cannot be completed, the Independent Shareholders will be holding on to unlisted SPV Shares for which there is no exchange platform for transfers.

Even if the A-Share Listing is completed, there is no certainty as to (a) when and how the SPV will be able to dispose of the A-Share Listco Shares; (b) at what price the A-Share Listco Shares can be sold; and (c) when the cash exist can be available to the Independent Shareholders, via the proposed A-Share Listing. Therefore, it is highly uncertain that the value of the Shares can be unlocked or realized, and that any cash exit can be available to the Independent Shareholders, which is subject to relevant PRC rules and regulations as well as approvals from the Relevant Authorities, via the proposed A-Share Listing.

INFORMATION ON THE GROUP

The Group is a high-tech new energy enterprise listed on the Stock Exchange engaging in the thin-film solar energy industry since 2009. The Group's principal businesses include (i) research and development, design, assembling, sales and delivery of thin-film solar energy cells/modules production equipment and turnkey production lines, as well as the provision of supporting technical services; (ii) the research and development, design, sales and delivery of thin-film solar energy generation systems and mobile energy application products; and (iii) provision of technical services and support, construction and maintenance services to the upstream production lines and downstream applications and products.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the PRC with limited liability and principally engages in investment management and asset management. As at the date of this joint announcement, the Offeror is the controlling shareholder of the Company interested in 20,320,245,121 Shares which represent approximately 48.21% of the issued share capital of the Company.

Set out below is the shareholding structure of the Offeror (i) as at the date of this joint announcement and (ii) immediately upon completion of the Proposal, assuming that there are no changes to the issued share capital of the Offeror after the date of this joint announcement:

Shareholders of the Offeror	As at the date of this joint announcement		Upon completion of the Proposal	
	<i>Amount of contribution to the Offeror's registered capital (in RMB 'million)</i>	<i>Approx. %</i>	<i>Amount of contribution to the Offeror's registered capital (in RMB 'million)</i>	<i>Approx. %</i>
漢能光伏科技有限公司 ^{Note}	69,828	99.75	69,828	99.75
河源漢鼎能源科技有限公司 ^{Note}	172	0.25	172	0.25
Total	70,000	100.00	70,000	100.00

Note:

漢能光伏科技有限公司 is beneficially owned as to 48.08% and 51.92% by 麗江博雅太和新能源投資顧問有限公司 and 河源漢鼎能源科技有限公司 respectively as at the date of this joint announcement. Mr. Li Hejun beneficially owns 98% and 99.1% interest in 麗江博雅太和新能源投資顧問有限公司 and 河源漢鼎能源科技有限公司. Therefore, Mr. Li Hejun is the ultimate controlling shareholder of the Offeror.

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Board will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange as soon as practicable following the effective date of the Scheme.

The Scheme Shareholders will be notified of the exact dates of the Court Meeting and the SGM to approve and give effect to the Scheme, and the dates on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses before the end of July 2019.

The Board would like to point out that trading in the Shares has been suspended since 20 May 2015. If trading in the Shares cannot be resumed before the end of July 2019 which is a deadline applied to the Company under Rule 6.01A(2)(b) of the Listing Rules, the Company will start the delisting procedure.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with it) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to the Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located.

Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas Optionholders, wishing to take an action in relation to the Proposal and Option Offer, respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes in such jurisdiction.

Any acceptance by such Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders or overseas Optionholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders or overseas Optionholders. For that purpose, the Company may apply for any waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders or overseas Optionholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders and overseas Optionholders, as the case may be.

Scheme Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Option Offer. It is emphasised that none of the Offeror, the Company and the SPV or any of their respective directors, officers or associates or any other person involved in the Proposal or the Option Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Option Offer.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises the following independent non-executive Directors, Mr. Lo Man Tuen, Professor He Xiaofeng, Professor Zhang Qiusheng and Mr. Wang Dan, has been established for the purpose of making a recommendation to (i) the Independent Shareholders as to (a) whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and (b) whether to vote in favour of the Scheme at the Court Meeting and the SGM; and (ii) to the Optionholders as to whether the terms of the Option Offer are, or are not, fair and reasonable and whether to accept the Option Offer.

INDEPENDENT FINANCIAL ADVISER

The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee in relation to the Proposal, the Scheme and the Option Offer. An announcement will be published in relation to the appointment of the Independent Financial Adviser pursuant to the requirements of the Takeovers Code and the Listing Rules.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document containing, amongst others, further details of the Proposal, the Scheme, the Option Offer, the expected timetable for implementation of the Proposal, an explanatory memorandum as required under the Bermuda Companies Act, information regarding the Company and the Offeror, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer, the letter of

advice from the Independent Financial Adviser, a notice of the Court Meeting and a notice of the SGM as well as the particulars required by the Takeovers Code, together with forms of proxy in relation thereto, will be despatched to the Shareholders and Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Bermuda Companies Act, and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders and Optionholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the SGM or accepting the Option Offer (as the case may be). Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

DISCLOSURE OF DEALINGS

Respective associates (as defined in the Takeovers Code, including among others, Shareholders having interests of 5% or more in any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

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:

“Responsibilities of stockbrokers, banks and other intermediaries

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 commission) in any relevant security undertaken for 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.”

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasized that none of the Offeror, BaoQiao Partners, the Independent Financial Adviser or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

OTHER ARRANGEMENTS

The Offeror confirms that, as at the date of this joint announcement:

- (a) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Proposal or to vote for or against the Scheme at the Court Meeting or the SGM;
- (b) there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror which might be material to the Proposal;
- (c) there are no agreements or arrangements to which the Offeror (nor any person acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal; and
- (d) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or any person acting in concert with it) has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

CORPORATE GOVERNANCE OF THE SPV

The SPV has important roles to play in the Streamlining Step and the A-Share Listing Step. It is therefore essential to ensure the SPV and its board of directors will carry out the procedures as set out in the Proposal, Streamlining Step and the A-Share Listing Step and will safeguard the interests of the Independent Shareholders. Accordingly, the following corporate governance measures are proposed to be carried out:

- (a) The constitutional documents of the SPV are expected to restrict the mission and the authorities of the SPV to be the holder of the Shares and the A-Share Listco Shares (as the case may be), to complete the Streamlining Step and the A-Share Listing Step, to dispose of the A-Share Listco Shares and to distribute the proceeds to the Independent Shareholders.
- (b) As a condition to the directorship appointment, each director of the SPV will be expected to give a formal undertaking in favour of the shareholders of the SPV as a whole that he/she will comply with the constitutional documents of the SPV and will not do any act or omit to do any act that will have a material adverse effect to the A-Share Listing.

Details of the corporate governance measures to be taken by the SPV will be set out in the Scheme Document.

Warnings:

If the Proposal is completed, the Independent Shareholders will hold SPV Shares and they will no longer directly hold any Shares. Their interests will effectively be in a non-listed company with diminished minority protection rights because the SPV is not subject to the Listing Rules or the relevant provisions of the SFO. Further, the SPV may be established in a jurisdiction apart from Hong Kong and such jurisdiction may not provide the same level of minority protection rights as in Hong Kong.

PROPOSED A-SHARE LISTING

The following steps are proposed to be conducted after the completion of the Proposal but are not part of the Proposal.

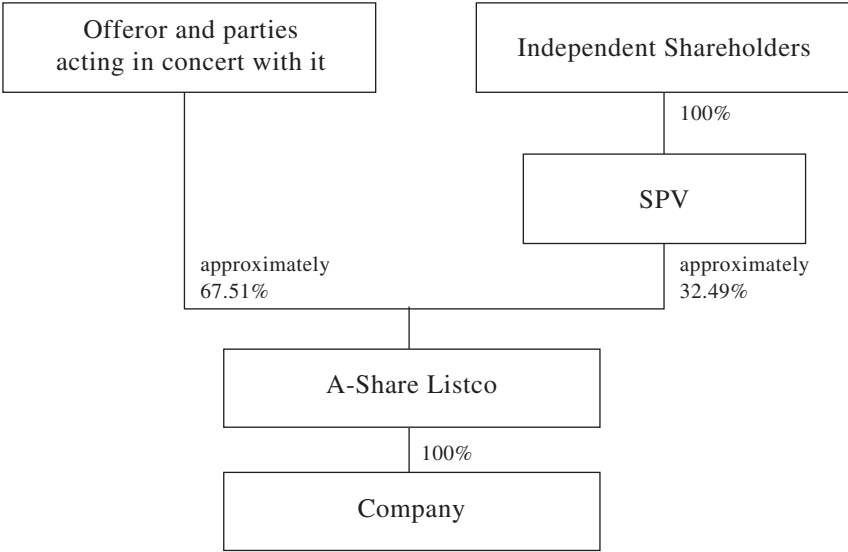
Streamlining Step

- (a) After further due diligence conducted by the Offeror, the Offeror will identify a subsidiary (the “**A-Share Listco**”) as the company which fulfils the relevant listing requirements in the PRC and is proposed to apply for listing on a stock exchange in the PRC (the “**A-Share Listing**”).
- (b) The Company will buy-back all Shares from SPV by cash, and the SPV will use the same amount of cash to subscribe for new shares in the A-Share Listco (the “**A-Share Listco Shares**”). After such subscription, SPV’s shareholding in A-Share Listco will be the same percentage as its shareholding in the Company immediately before such Shares buy-back.
- (c) Also, the shareholding structure in the Company will be streamlined so that A-Share Listco will be the only shareholder of the Company. Such streamlining procedures are being ascertained and this step will not involve any cash payment by the Offeror and/or parties acting in concert with it to the Independent Shareholders.
- (d) The Streamlining Step will not bring about a reduction in net assets within the group of A-Share Listco and the Company. The shareholding interest to be held by the Independent Shareholders in the SPV will remain the same throughout the Streamlining Step.

The Offeror and its PRC advisers have commenced due diligence as described in paragraph (a) above. The Offeror anticipates that the Streamlining Step will be completed within 6 months from the completion of the Proposal. However, the Streamlining Step will also be subject to completion of the procedures required under the PRC laws and regulations and approvals of the relevant PRC authorities. Thus, the Offeror is not able to give a commitment on when the Streamlining Step will be completed although it will use its best endeavours to facilitate the Streamlining Step.

When the Streamlining Step is completed, the shareholding structure of A-Share Listco and the Company will be streamlined, as depicted in Diagram 3 below.

Diagram 3



A-Share Listing Step

- (a) A-Share Listco will apply for A-Share Listing as stated in above Streamlining Step.
- (b) In order to allow the Independent Shareholders to benefit from the A-Share Listing, A-Share Listco will apply to the CSRC for the SPV to dispose of a certain percentage of A-Share Listco Shares held by the SPV as part of the offer shares in the A-Share Listing, subject to the approval from CSRC (the “**Sale Shares**”). The purpose is to allow the Independent Shareholders to obtain cash from the disposal of the Sale Shares without being subject to the post-IPO lock-up period ordinarily applied to existing shareholders of a listing applicant. The other part of the offer shares will be new shares to be issued by A-Share Listco at the same offer price of the Sale Shares.

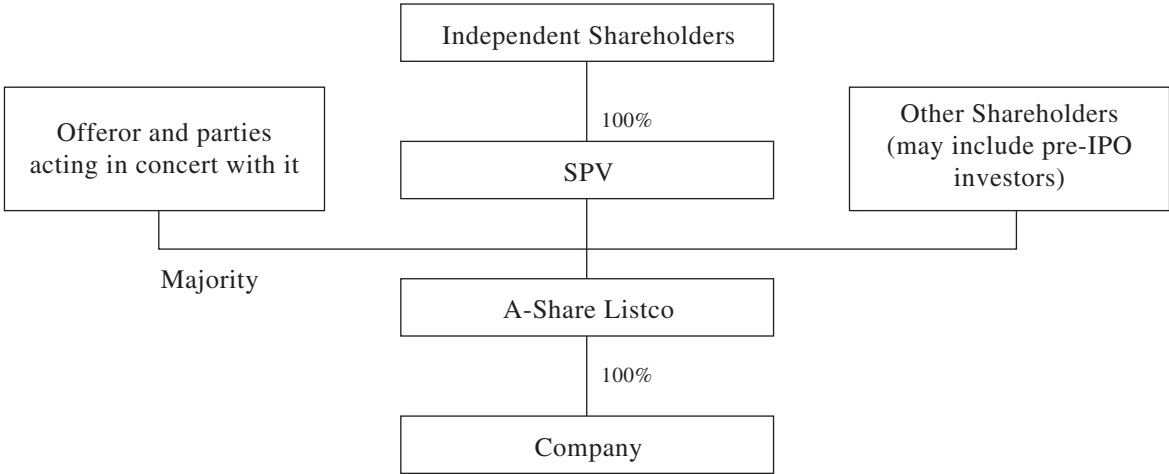
The remaining A-Share Listco Shares held by the SPV will be disposed of after the lock-up period applicable to the SPV as a shareholder of A-Share Listco and in accordance with the applicable laws and regulations in the PRC.

- (c) The Offeror will also explore the possibility of requiring A-Share Listco to buy back certain amount of A-Share Listco Shares held by the SPV (the “**Bought Back Shares**”) after the A-Share Listing is completed.
- (d) If any entity/person is interested to invest in A-Share Listco as a pre-IPO investor, the Offeror and/or parties acting in concert with it will discuss with the investor as to whether it will consider acquiring wholly or partially the A-Share Listco Shares (the “**Transfer Shares**”) held by the SPV.

- (e) The SPV will engage PRC financial advisers which are independent of the Offeror and its concert parties to provide advice to the SPV on the disposals of A-Share Listco Shares before the A-Share Listing, as part of the A-Share Listing and after the A-Share Listing, in order to safeguard the interests of the Independent Shareholders.
- (f) After the SPV has received the sale proceeds of any batch of Sale Shares, Bought Back Shares and/or Transfer Shares, it will arrange to distribute the entire cash sale proceeds to all Independent Shareholders in proportion to their respective holdings of SPV Shares as soon as practicable subject to the relevant PRC rules and regulations as well as approval(s) from the Relevant Authorities.
- (g) When the SPV has disposed of all A-Share Listco Shares held by it and made all cash distributions of the sale proceeds to the Independent Shareholders, the board of directors of the SPV will proceed to liquidate the SPV.

After a successful A-Share Listing and as long as the SPV holds any A-Share Listco Share, the shareholding structure of A-Share Listco and the Company will be as depicted in Diagram 4 below.

Diagram 4



Warnings:

Shareholders and potential investors should be aware that none of the Offeror or parties acting in concert with it, the SPV, the Company and BaoQiao Partners will give any guarantee of whether, when and how the A-Share Listing, including but not limited to A-Share Listing group structure, size and method of pre-IPO and IPO fundraising, etc. can be achieved. Further, none of them will provide any compensation (in cash or in any other form) to the Independent Shareholders if A-Share Listing cannot be achieved after a certain period of time.

If the A-Share Listing cannot be completed, the Independent Shareholders will be holding onto unlisted SPV Shares for which there is no exchange platform for transfers.

Even if the A-Share Listing is completed, there is no certainty as to (a) when and how the SPV will be able to dispose of the A-Share Listco Shares; (b) at what price the A-Share Listco Shares can be sold; and (c) when the cash exit can be available to the Independent Shareholders, via the proposed A-Share Listing. Therefore, it is highly uncertain that the value of the Shares can be unlocked or realized, and that any cash exit can be available to the Independent Shareholders, which is subject to relevant PRC rules and regulations as well as approval(s) from the Relevant Authorities, via the proposed A-Share Listing.

Reference of P/E Ratios

The following table sets out the price to earnings ratio (“**P/E Ratio**”) of the comparable companies, which are (i) engaged in similar line of business as the Company (i.e. being categorised by Bloomberg together with the Company as operating in “Solar Power Equipment/Solar Energy Equipment”); (ii) profit-making with reference to their latest published financial information; and (iii) listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange (“**Comparable Companies**”), based on their respective closing share prices as at the date of this joint announcement and their latest published financial information.

No.	Stock Code	Company Name	P/E Ratio
1	000591.SZ	CECEP Solar Energy Co Ltd	13.85
2	002129.SZ	Tianjin Zhonghuan Semiconductor Co Ltd	47.81
3	002218.SZ	Shenzhen Topraysolar Co Ltd	37.66
4	002309.SZ	Jiangsu Zhongli Group Co Ltd	19.18
5	002610.SZ	Jiangsu Akcome Science & Technology Co Ltd	127.70
6	300029.SZ	Jiangsu Huasheng Tianlong Photoelectric Co Ltd	20.94
7	300118.SZ	Risen Energy Co Ltd	21.64
8	300274.SZ	Sungrow Power Supply Co Ltd	20.18
9	300316.SZ	Zhejiang Jingsheng Mechanical & Electrical Co Ltd	30.16

No.	Stock Code	Company Name	P/E Ratio
10	300317.SZ	Jiawei Renewable Energy Co Ltd	97.25
11	300393.SZ	Jolywood Suzhou Sunwatt Co Ltd	27.36
12	300751.SZ	Suzhou Maxwell Technologies Co Ltd	43.54
13	600537.SH	EGing Photovoltaic Technology Co Ltd	84.55
14	601012.SH	LONGi Green Energy Technology Co Ltd	26.51
15	601908.SH	Beijing Jingyuntong Technology Co Ltd	16.76
16	603105.SH	Zhejiang Xinneng Solar Photovoltaic Technology Co Ltd	57.22
17	603396.SH	Yingkou Jinchun Machinery Co Ltd	33.58
18	603628.SH	Clenergy Xiamen Technology Co Ltd	151.76
19	603806.SH	Hangzhou First Applied Material Co Ltd	30.63
		Average	47.8
		Median	30.63

Source: Bloomberg

BaoQiao Partners, the financial adviser to the Offeror, considers the above Comparable Companies to be fair, representative and exhaustive samples based on the above selection criteria. Nevertheless, it should be noted that the operations and prospects of the Comparable Companies are not identical to the Company and BaoQiao Partners has relied on the publicly available information and not conducted any investigation into the businesses, operations and prospects of the Comparable Companies.

Warnings:

Shareholders and potential investors should be aware that there is no guarantee as to whether and when the A-Share Listing can be achieved. Further, it should be noted that the P/E Ratios of the comparable companies as set out in the above table have no bearing on the P/E Ratio of the A-Share Listco.

The above statistics are merely for reference only. None of the Offeror or parties acting in concert with it, the SPV, the Company and BaoQiao Partners will provide any compensation to the Independent Shareholders if the P/E Ratio for any of the above companies drops. Please note that the P/E Ratio for each of the above companies may change from time to time.

SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares has been suspended since 20 May 2015. Though the Company has made tremendous efforts to seek resumption of trading of the Shares, such efforts did not bear any fruit. If trading in the Shares cannot be resumed before the end of July 2019 which is the deadline applied to the Company under Rule 6.01A(2)(b) of the Listing Rules, the delisting of the Shares in accordance with the Listing Rules will commence. Further, if listing of the Shares on the Stock Exchange cannot be withdrawn because the Scheme does not become effective or the Proposal otherwise lapses before the end of July 2019, the delisting procedure will proceed in accordance with the Listing Rules.

DEFINITIONS

In this joint announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code;
“A-Share Listco”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – Streamlining Step” in this joint announcement;
“A-Share Listco Shares”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – Streamlining Step” in this joint announcement;
“A-Share Listing”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – Streamlining Step” in this joint announcement;
“A-Share Listing Step”	the steps as described in the section “PROPOSED A-SHARE LISTING – A-Share Listing Step” in this joint announcement;
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code;

“BaoQiao Partners”	BaoQiao Partners Capital Limited, a licensed corporation registered under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, which has been appointed as the financial adviser to Offeror in respect of the Proposal;
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time;
“Board”	the board of the Company;
“Bought Back Shares”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – A-Share Listing Step” in this joint announcement;
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong and the PRC (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.);
“Cancellation Consideration”	the cancellation consideration under the Proposal, being one SPV Share for each Scheme Share;
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Company”	Hanergy Thin Film Power Group Limited whose shares are listed on the Main Board of the Stock Exchange with Stock Code 566;
“Comparable Companies”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – Reference of P/E Ratios” in this joint announcement;
“Condition(s)”	the condition(s) of the Proposal, as set out in the section headed “Conditions of the Proposal” above of this joint announcement;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;

“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Supreme Court of Bermuda, at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof;
“Court Order”	the order of the Supreme Court of Bermuda confirming the sanction of the Scheme as required by Section 99 of the Bermuda Companies Act;
“CSRC”	the China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date on which the Court Order has been delivered to the Registrar of Companies in Bermuda for registration (as required by Section 99(3) of the Bermuda Companies Act);
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director;
“Group”	the Company and its subsidiaries;
“Hanergy Holding”	漢能水力發電集團有限公司 (previously known as 漢能控股集團有限公司), a substantial shareholder of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent committee of the Board (comprising Mr. Lo Man Tuen, Professor He Xiaofeng, Professor Zhang Qiusheng and Mr. Wang Dan, all being the independent non-executive Directors) formed for the purpose of advising the Independent Shareholders in respect of the Proposal;
“Independent Financial Adviser”	the party which will be appointed as the independent financial adviser to the Independent Board Committee in respect of the Proposal;
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it;

“IPO”	initial public offering;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 30 September 2019;
“News Release”	the news release of the Offeror dated 23 October 2018 in relation to, among other things, a proposal from the Offeror in relation to the shares of the Company;
“Offer Period”	has the same meaning ascribed thereto under the Takeovers Code
“Offeror”	漢能移動能源控股集團有限公司 (Hanergy Mobile Energy Holding Group Co., Ltd.*) (previously known as 漢能移動能源控股有限公司 Hanergy Mobile Energy Holding Co., Ltd.*), a company incorporated in the PRC with limited liability which is controlled by Mr. Li Hejun, the shareholding structure of the Offeror is set out in the section “INFORMATION ON THE OFFEROR” in this joint announcement;
“Offeror Board”	the board of directors of the Offeror;
“Optionholder(s)”	holder(s) of the Share Options;
“Option Offer”	the offer to be made by or on behalf of the Offeror to the holders of the Outstanding Share Options;
“Outstanding Share Option(s)”	the outstanding, vested and unvested, Share Option(s) granted under the Share Option Scheme from time to time;
“P/E Ratio”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – Reference of P/E Ratios” in this joint announcement;

“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposal”	the Offeror’s proposal in respect of the Company by way of (i) the Scheme, (ii) the Option Offer, (iii) the restoration of the share capital of the Company the amount immediately before the cancellation of the Scheme Shares by the issue to the SPV of such number of new Shares as is equal to the number of Scheme Shares cancelled, and (iv) the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions as set out in this joint announcement;
“Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme;
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Sale Shares”	has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – A-Share Listing Step” in this joint announcement;
“Scheme”	a scheme of arrangement under Section 99 of the Bermuda Companies Act involving the cancellation of all the Scheme Shares and the restoration of the share capital of the Company the amount immediately before the cancellation of the Scheme Shares by the issue to the SPV of such number of new Shares as is equal to the number of Scheme Shares cancelled;
“Scheme Document”	the composite scheme document to be issued by the Company and the Offeror to the Shareholders and Optionholders containing, among other things, further details of the Proposal;
“Scheme Shares”	Share(s) other than those directly or indirectly held by the Offeror and parties acting in concert with it;
“Scheme Shareholder(s)”	holder(s) of the Scheme Shares as at the Effective Date;

“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held in accordance with the bye-laws of the Company, the Listing Rules and applicable laws immediately following the Court Meeting to consider the capital reduction in connection with the Scheme;
“Share(s)”	the ordinary share(s) of HK\$0.0025 each in the capital of the Company;
“Share Option(s)”	the share option(s) granted by the Company under the Share Option Scheme from time to time;
“Share Option Scheme”	the share option scheme of the Company approved by the Shareholders on 28 August 2007;
“Shareholder(s)”	registered holder(s) of the Share(s);
“SPV”	a special purpose vehicle company to be incorporated in a jurisdiction outside the PRC for the purpose of the Scheme, details of which will be disclosed in the Scheme Document;
“SPV Share(s)”	the ordinary share(s) in the capital of the SPV;
“SPV Share Option(s)”	the share option(s) to be issued by the SPV under the Option Offer;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Streamlining Step”	the steps as described in the section “PROPOSED A-SHARE LISTING – Streamlining Step” in this joint announcement;
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;

“Transfer Shares” has the meaning ascribed thereto under the section “PROPOSED A-SHARE LISTING – A-Share Listing Step” in this joint announcement; and

“%” per cent.

By order of the board of
漢能移動能源控股集團有限公司
**Hanergy Mobile Energy Holding
Group Co., Ltd.***
Li Hejun
Chairman

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

Hong Kong, 26 February 2019

As at the date of this joint announcement, the directors of the Offeror are Mr. Li Hejun, Ms. Wu Wei, Ms. Li Xue, Mr. Yuan Yabin, Mr. Chen Li, Mr. Shi Guosong, Mr. Feng Dianbo, Mr. Wang Yong and Mr. Dai Mingfang.

As at the date of this joint announcement, the executive Directors 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.

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

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

* for identification purposes only