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中国技术进出口集团有限公司  
CHINA NATIONAL TECHNICAL IMP. & EXP. CORP.

**CHINA NATIONAL TECHNICAL IMPORT &  
EXPORT CORPORATION**

中國技術進出口集團有限公司

*(Established in the People's Republic of China with limited liability)*



**VPOWER GROUP INTERNATIONAL  
HOLDINGS LIMITED**

偉能集團國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1608)**

- (1) PROPOSED INCREASE OF AUTHORISED SHARE CAPITAL;  
(2) SUBSCRIPTION UNDER SPECIFIC MANDATE;  
(3) APPLICATION FOR WHITEWASH WAIVER;  
AND  
(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**Financial Adviser to the Subscriber**



**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



## **THE SUBSCRIPTION**

The Board is pleased to announce that the Company, the Subscriber, VH and the Warrantor entered into the Subscription Agreement on 12 June 2023 (after trading hours), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 3,290,457,511 Subscription Shares at a Subscription Price of HK\$0.42 per Subscription Share for a total Subscription Amount of HK\$1,381,992,155, which shall be satisfied in full by way of application of and offsetting the Capitalised EPC Amount, which forms part of the Outstanding EPC Amount that is due and payable to the Subscriber.

The Subscription Price per Share represents (i) a premium of approximately 2.44% over the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of 5.00% over the average closing price of HK\$0.40 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; (iii) a premium of approximately 7.69% over the average closing price of approximately HK\$0.39 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day, and (iv) a discount of approximately 63.79% to the audited consolidated net asset per Share of approximately HK\$1.16 as at 31 December 2022.

The Subscription Amount will be satisfied in full by way of application of and offsetting the Capitalised EPC Amount, no cash proceeds will be received by the Company from the Subscription. On the basis of the Capitalised EPC Amount, the estimated net subscription price for each Subscription Share will be approximately HK\$0.42.

The Subscription will be subject to, among other things, the grant of the listing approval by the Stock Exchange for the listing of and permission to deal in the Subscription Shares and the approval by the Independent Shareholders at the EGM of the allotment and issue of the Subscription Shares and the Public Float Shares under Specific Mandate.

## **TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this joint announcement, (i) the Subscriber does not hold any Shares; (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun (being the controlling shareholder of Energy Garden), Mr. Lee Chong Man Jason (being the ultimate beneficial owner of 10.28% equity interest of Energy Garden), Ms. Chan Mei Wan (being the ultimate beneficial owner of 20.57% equity interest of Energy Garden, the spouse of Mr. Lam Yee Chun and a non-executive Director), Mr. Chan Yat Chor (being a brother of Ms. Chan Mei Wan), Ms. Tang Wenjing (being the ultimate beneficial owner of 10.28% equity interest of Energy Garden), Next Admiral and CRRC (HK)) hold an aggregate of 2,199,432,322 Shares, representing approximately 81.41% of the existing issued share capital of the Company as at the date of this joint announcement.

Assuming that the presumed concert party relationship between each of CRRC (HK) and Next Admiral on the one hand and the Subscriber on the other hand is rebutted, as at the date of this joint announcement, parties acting in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor and Ms. Tang Wenjing) hold an aggregate of 1,892,881,000 Shares, representing approximately 70.06% of the existing issued share capital of the Company as at the date of this joint announcement.

Assuming that there will be no change in the issued share capital of the Company between the date of this joint announcement and the Completion, the Subscription Shares to be allotted and issued represent (i) approximately 121.79% of the existing issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 54.91% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. Assuming the proposed restoration of Public Float of Shares is implemented with a total of 949,076,711 Public Float Shares to be issued, the Subscription Shares represent approximately 47.40% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Public Float Shares.

The Subscriber will apply to the Executive for the Whitewash Waiver pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Takeovers Code in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, would be subject to the approval of the Independent Shareholders at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Subscription will not proceed if the Whitewash Waiver is not granted or approved.

None of the Subscriber and parties acting in concert with it had any dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period commencing on the date falling six months prior to the date of this joint announcement and ending on the date of this joint announcement. Details of dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by Next Admiral and CRRC (HK) will be obtained as soon as possible after this joint announcement has been made. The statements and/or confirmations in this joint announcement as to dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Subscriber are subject to the dealings (if any) of Next Admiral and CRRC (HK).

#### **SPECIFIC MANDATE**

The Subscription Shares and any proposed issue of Public Float Shares will be allotted and issued under Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

To accommodate for the issue of the Subscription Shares and the Public Float Shares, and also taking into account the needs for the issue of new Shares for fund raising or other purposes in future, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 Shares.

The increase in the authorised share capital of the Company is conditional upon the approval of the Shareholders at the EGM.

## **LISTING RULES IMPLICATIONS AND RESTORATION OF PUBLIC FLOAT**

The Subscription Shares will be allotted and issued pursuant to Specific Mandate to be sought from the Independent Shareholders at the EGM. The Subscriber and its ultimate beneficial owners are not connected persons of the Company.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Public Float Shares.

The Subscription will result in the Public Float of Shares falling below the requirements under Rule 8.08(1) of the Listing Rules. In general, the Stock Exchange would not grant the listing of, and permission to deal in new Shares where the issue of such new Shares would cause or facilitate a breach of requirement(s) under the Listing Rules. Measures will be implemented by the Company to comply with the public float requirement. The grant of the listing of, and permission to deal in the Subscription Shares is subject to the Company having put in place adequate arrangements to meet the public float requirements under Rule 8.08(1) of the Listing Rules both before and after the Completion, and the Company intends to enter into (i) placing agreement(s) with placing agent(s) and/or (ii) subscription agreement(s) with Independent Third Parties and parties not acting in concert with the Subscriber, to implement the issue of the Public Float Shares, failing which the Subscription will not proceed on the basis that the Public Float of Shares cannot be maintained. The Company will make further announcement(s) as soon as practicable with the details of such arrangement, if and when appropriate.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders on, among other things, the Subscription and the Whitewash Waiver and as to voting.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise such committee and the Independent Shareholders as to whether the Subscription and the Whitewash Waiver (as the case may be) are fair and reasonable and make recommendation on voting.

## **THE EGM**

The EGM will be convened to, among other things, consider and, if thought fit, approve (i) the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) by more than 50% of the votes cast by the Independent Shareholders by way of poll; (ii) the Whitewash Waiver by at least 75% of the votes cast by the Independent Shareholders by way of poll; (iii) the proposed issue of Public Float Shares under Specific Mandate by more than 50% of the votes cast by the Shareholders by way of poll; and (iv) the proposed increase in the authorised share capital of the Company by more than 50% of the votes cast by the Shareholders by way of poll.

(i) The Subscriber, (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor, Ms. Tang Wenjing, Next Admiral and CRRC (HK)); and (iii) any other parties who are interested in or involved in the Subscription and/or the Whitewash Waiver (including Mr. Lo Siu Yuen (being an executive Director)) shall abstain from voting in respect of the resolution(s) to approve the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) and the Whitewash Waiver at the EGM. Pursuant to the rules of the Share Award Scheme and Rule 17.05A of the Listing Rules, the trustee of the Share Award Scheme (who holds 13,666,803 Shares, being the unvested Shares held on trust for the selected eligible persons under the Share Award Scheme as of the date of joint announcement) shall abstain from voting in respect of all the resolutions to be proposed at the EGM.

## **DESPATCH OF THE EGM CIRCULAR**

The EGM Circular containing, among other things: (i) details of the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate), any proposed issue of Public Float Shares under Specific Mandate, the proposed increase in the authorised share capital of the Company, and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee on the Subscription and the Whitewash Waiver; (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Subscription and the Whitewash Waiver; and (iv) notice of the EGM together with the form of proxy, is expected to be despatched to Shareholders within 21 days from the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code.

The Company will seek the Executive's consent if it becomes aware that the EGM Circular may not be able to be issued within 21 days from the date of this joint announcement and will apply to the Executive for an extension of time for the despatch of such circular. Further announcement(s) will be made by the Company as and when appropriate.

As the Completion is subject to (i) the satisfaction (or waiver, where applicable) of the conditions precedent as set out in the Subscription Agreement, and (ii) the Subscription Agreement not having been terminated prior to the Completion in accordance with the terms therein, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their stockbrokers, bank managers, solicitors or other professional advisers if they are in any doubt about their position and as to actions that they should take.

## 1. THE SUBSCRIPTION

The Board is pleased to announce that the Company, the Subscriber, VH and the Warrantor entered into the Subscription Agreement on 12 June 2023 (after trading hours), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 3,290,457,511 Subscription Shares for a total Subscription Amount of HK\$1,381,992,155.

The Subscription Amount will be satisfied in full by way of application of and offsetting the Capitalised EPC Amount (being the agreed part of the Outstanding EPC Amount to be offset through the Subscription) arising from the Subcontractor EPC Contract that is due and payable to the Subscriber.

For further details on the Outstanding EPC Amount, please refer to the paragraph headed “2. Background of the Outstanding EPC Amount, the Capitalised EPC Amount and the Subcontractor EPC Contract” below.

### (a) Principal terms of the Subscription Agreement

<b>Issuer:</b>	The Company
<b>Subscriber:</b>	China National Technical Import & Export Corporation
<b>Warrantor:</b>	Energy Garden
<b>Class and par value of Subscription Shares to be issued:</b>	Ordinary shares of the Company with a par value of HK\$0.10 each

**Number of Subscription  
Shares to be issued:**

3,290,457,511 Shares will be issued, which represent (i) approximately 121.79% of the existing issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 54.91% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares to be issued, with a par value of HK\$0.10 each, will be HK\$329,045,751.10.

The number of Subscription Shares was determined after arm's length negotiation between the Company and the Subscriber after taking into account (i) Subscriber's intention to acquire a controlling interest through the Subscription, (ii) the potential dilutive effect on the Shareholders if the entire Outstanding EPC Amount is converted into Shares and (iii) the Subscription Amount which represents about 90% of the Outstanding EPC Amount such that a substantial portion of the Outstanding EPC Amount will be settled through the Subscription.

**Subscription Price:**

HK\$0.42 per Share, which represents:

- (i) a premium of approximately 2.44% over the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of 5.00% over the average closing price of HK\$0.40 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day;
- (iii) a premium of approximately 7.69% over the average closing price of approximately HK\$0.39 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day; and
- (iv) a discount of approximately 63.79% to the audited consolidated net asset per Share of approximately HK\$1.16 as at 31 December 2022.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber after taking into account (i) the audited consolidated financial statements of the Group for the year ended 31 December 2022, including the net asset and net current liabilities, (ii) the recent trading prices of the Shares and the trading volume, (iii) the expected shareholding of the Subscriber in the Company and the Subscriber becoming the controlling shareholder upon the Completion, and (iv) the potential synergies arising from the cooperation between the Company and the Subscriber, as detailed in the paragraph headed "9. Reasons for the Subscription" of this joint announcement.

<b>Expected proceeds from the Subscription:</b>	The Subscription Amount will be satisfied in full by way of application of and offsetting the Capitalised EPC Amount, no cash proceeds will be received by the Company from the Subscription. On the basis of the Capitalised EPC Amount, the estimated net subscription price for each Subscription Share will be approximately HK\$0.42.
<b>Ranking of the Subscription Shares:</b>	The Subscription Shares will rank <i>pari passu</i> in all respects with the existing Shares in issue, including the right to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Shares in their fully-paid form.
<b>Application for listing of the Subscription Shares to be issued:</b>	Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**(b) Further information on the Subscription**

No lock-up period restriction is imposed for the Subscription Shares.

The issue of the Subscription Shares shall be subject to (i) the fulfilment (or waiver, where applicable) of conditions precedent; and (ii) the Subscription Agreement not having been terminated prior to the Completion in accordance with the terms therein.



**(c) Conditions precedent of the Subscription**

The Completion shall be subject to the fulfilment (or waiver, where applicable) of the following conditions precedent:

- (i) from the date of the Subscription Agreement and up to the Completion Date, there shall not have occurred any suspension or limitation of trading in any of the Shares on the Stock Exchange (save and except for any trading halt in relation to the Subscription and placing of Public Float Shares (if any), and trading halts for the sole purpose of the Company announcing inside information with such trading halt being lifted by the next Business Day after the publication of the relevant announcement and no more than five trading days in duration for each occurrence);
- (ii) all consents and/or waivers and/or agreements on (i) time extension for prepayment or repayment, endorsements, confirmation on transitional arrangements from lenders who have extended financing to the Group and (ii) change of control clause, the consents of which are required under the relevant financing documents for the purpose of implementing the Subscription, having been obtained and remaining in full force and effect;
- (iii) there has been no petition filed, order made or effective resolution passed for the bankruptcy, liquidation or winding up of the Company, the Warrantor or any other Group Company that is a principal subsidiary of the Company in the annual report of the Company for the year ended 31 December 2022;
- (iv) the Company having obtained approvals from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Public Float Shares, such approvals remaining valid and conditions for such approvals remaining satisfied up to the Completion;
- (v) the Executive having granted the Whitewash Waiver and all conditions prescribed for the grant of the Whitewash Waiver having been satisfied, and the Whitewash Waiver not having been subsequently revoked or withdrawn;
- (vi) the Subscriber having obtained (or completed, as the case may be) all of the approvals, consents, filings and/or registrations with respect to the Subscription legally required from its sole executive director, its ultimate controller, and the competent governmental authorities having jurisdiction over the Subscriber, including (a) as a state-owned enterprise, the approval of the competent state-owned assets supervision and administration authority (i.e. Central SASAC) with respect to the Subscription and completion of the state-owned assets appraisal or valuation and filing procedures, in accordance with the PRC laws; and (b) as a PRC company, the completion of relevant overseas direct investment approval/filing procedures with the National Development and Reform Commission of the PRC, the Ministry of Commerce of the PRC and the State

Administration of Foreign Exchange or its competent local bureau or one of its designated banks in the PRC with respect to the Subscription, in accordance with the PRC laws;

- (vii) the necessary resolutions to be set out in the EGM Circular (please refer to paragraph headed “12. EGM and EGM Circular” below for the proposed resolutions to be considered at the EGM) having been duly approved by the Board, Shareholders and the Independent Shareholders (as the case may be), with such resolutions not having been revoked or vitiated;
- (viii) the representations and warranties given by the Company and the Warrantor in the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading from the date of the Subscription Agreement up to the Completion Date, and where there are breaches prior to the Completion, such breaches having been remedied to the Subscriber’s reasonable satisfaction;
- (ix) the undertakings made by the Company and the Warrantor having been complied with from the date of the Subscription Agreement up to the Completion Date; and
- (x) the arrangements that will be put in place to issue the Public Float Shares to Independent Third Parties and parties not acting in concert with the Subscriber (the “**Public Float Arrangements**”) remaining legally binding and valid, and not terminated in accordance with its/their terms, and the only condition (if any) remaining outstanding for the Public Float Arrangements being completion of the Subscription.

With regard to condition (x), the Company intends to enter into (i) placing agreement(s) with placing agent(s) and/or (ii) subscription agreement(s) with Independent Third Parties and parties not acting in concert with the Subscriber, to implement the issue of Public Float Shares.

Save for conditions (i) to (iii), (viii) and (ix) which may be waived by the Subscriber, none of the above conditions may be waived by any party to the Subscription Agreement and therefore, if any conditions above cannot be satisfied (or waived, where applicable) on or before the Long Stop Date (including but not limited to, if the Whitewash Waiver is not granted or approved as per condition (v) above) and the Long Stop Date is not extended, the Subscription will not proceed.

As at the date of this joint announcement, no condition has been fulfilled.

#### **(d) Completion of the Subscription**

Completion of the Subscription Agreement will take place on the Completion Date, and simultaneously with the completion of the issue of the Public Float Shares to Independent Third Parties and parties not acting in concert with the Subscriber.

**(e) Termination of the Subscription Agreement**

The Subscription Agreement may be terminated upon the occurrence of the following events:

- (i) at any time on or prior to Completion Date, by written agreement among the parties to the Subscription Agreement; or
- (ii) at the election of the Subscriber, where it is discovered that any of the Group Companies or the Group's joint ventures (other than CNTIC VPower JV and its subsidiaries) have material liabilities that have not been disclosed to the Subscriber prior to the date of the Subscription Agreement; or
- (iii) at the election of the Subscriber, if there is any change or development or event which would, in the reasonable opinion of the Subscriber, either individually or in aggregate have a material adverse effect; or
- (iv) at the election of the Subscriber, where there occurs termination (or non-renewal) of any of the Group's SI or IBO businesses projects, or the termination (or non-renewal) of power purchase agreements of which the Group is a party of, where such termination is without the Subscriber's prior written consent and such termination constituting a material adverse effect; or
- (v) at the election of the Subscriber, if there has been a material breach of any representations and warranties, undertaking, covenant or agreement by the Company or the Warrantor contained in the Subscription Agreement or any other transaction document, which breach has not been remedied; or
- (vi) at the election of the Subscriber, if there is commencement of action(s) by any governmental authority against any Group Company, any director or senior management of the Company, or a notice having been received by any Group Company issued by such governmental authority that it has commenced investigation into any such action(s); or
- (vii) in the case of *force majeure* in accordance with the provisions of the Subscription Agreement; or
- (viii) in accordance with the termination provisions if Completion does not take place on the Completion Date because the Company fails to comply with any of its obligations and the Subscriber by written notice to the Company terminates the Subscription Agreement; or
- (ix) at the election of the Subscriber, where any of the Group Companies has any petition filed, order made or effective resolution passed for the bankruptcy, liquidation or winding up of the Company, the Warrantor or any other Group Company.

The Subscription Agreement will be terminated automatically if:

- (aa) Completion has not occurred on or before 5:00 p.m. Hong Kong time on the fifth Business Day after the Long Stop Date; or
- (bb) any condition precedent is shown to have been breached and/or not being capable of being fulfilled (or waived, where applicable) on or before the Long Stop Date and the Long Stop Date is not extended by agreement in writing between the Company and the Subscriber.

**(f) Proposed change in composition of the Board**

Immediately after the fulfilment of the condition precedent (vii), and in compliance with the Takeovers Code, the Company will procure the composition of the Board to change, with the Subscriber nominating four executive Directors and two independent non-executive Directors to the Board by replacing some of the existing Directors, with the total number of Directors on the Board increasing from eight to nine. Details of the actual changes of the Board and Board committee compositions, and biographies of new Directors to be appointed will be disclosed by way of announcement as and when appropriate in accordance with the Takeovers Code and the Listing Rules.

**(g) The views of the Directors**

The Directors (excluding the members of the Independent Board Committee, who will form their view after considering advice from the Independent Financial Adviser) are of the view that the Subscription and the terms of Subscription Agreement (including the Subscription Amount) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

**2. BACKGROUND OF THE OUTSTANDING EPC AMOUNT, THE CAPITALISED EPC AMOUNT AND THE SUBCONTRACTOR EPC CONTRACT**

In the second half of 2019, the Group and the Subscriber as a consortium submitted tenders to Electric Power Generation Enterprise, Ministry of Electricity and Energy of the Government of Myanmar, for liquefied natural gas to power projects, including (among them) the 400 MW Gas Fired Power Plant (Thaketa) Project situated at Thaketa Myanmar (“**400 MW Thaketa Project**”) and won the bids. CNTIC VPower JV was then formed to execute the power projects awarded. For further details, please refer to the announcements of the Company dated 9 October 2019, 10 February 2020, 18 May 2020, 15 June 2020 and 2 July 2020.

CNTIC VPower JV (as the project owner of the 400 MW Thaketa Project), through its wholly-owned subsidiary, appointed a wholly-owned subsidiary of the Company, VH, which engages in the SI business and offers EPC services, as the head contractor for the said project. To execute the project, VH and the Subscriber entered into the Subcontractor EPC Contract under which VH appointed the Subscriber as the sub-contractor.

Following certain political incidents in Myanmar, which took place in early February 2021, there arose adverse changes in the political, economic and social environments in Myanmar, which have brought challenges to the operations of CNTIC VPower JV, resulting in a less-than-expected power generated and income from its power projects and CNTIC VPower JV's failure to obtain financing as planned.

The EPC services performed under the Subcontractor EPC Contract were completed in the fourth quarter of 2021 and the last stage payment in the sum of USD197,096,574.15 (equivalent to approximately HK\$1,537,353,000), i.e. the Outstanding EPC Amount, became payable to the Subscriber. Such payment in its entirety remains outstanding as at the date of this joint announcement.

Since the Company, as the parent company of VH, has entered into a guarantee (“**Guarantee**”) with the Subscriber to guarantee VH's payment obligations under the Subcontractor EPC Contract and as the trade payables under the Subcontractor EPC Contract due to the Subscriber has been adversely affecting the financial position of the Group for a while; settlement of such trade payables in the near future is likely to cause immense pressure on the Group's cash flow having regard to the financial resources currently available to the Group; and potential synergies are anticipated through the Subscriber becoming a major Shareholder, the Company and the Subscriber negotiated for entering into the Subscription Agreement and transactions contemplated thereunder. Certain financial information of the Company for the three financial years ended 31 December 2022 and the reasons for the Company's entry into the Subscription Agreement including the expected financial impact of the Subscription on the Group are set out in the paragraphs headed “3. General information on the parties to the Subscription Agreement” and “9. Reasons for the Subscription” below.

It is expected that upon Completion with settlement of the Capitalised EPC Amount by way of Shares, the remaining unsettled amount of the Outstanding EPC Amount shall amount to approximately USD19,918,092.74 (equivalent to approximately HK\$155,361,000). It is agreed between the Company and the Subscriber that such remaining amount shall remain payable in accordance with the terms of the Subcontractor EPC Contract and continue to be covered by the Guarantee. VH and the Company intend to use the internal resources of the Group to meet the remaining obligations under the Subcontractor EPC Contract and the Guarantee respectively.

### **3. GENERAL INFORMATION ON THE PARTIES TO THE SUBSCRIPTION AGREEMENT**

The Company is incorporated under the laws of the Cayman Islands with limited liability with its Shares listed on the Main Board of the Stock Exchange since 24 November 2016. The Group is a gen-set system integration provider and a gas-fired engine-based distributed power generation (“**DPG**”) station owner and operator in Asia. The Group's principal business includes (i) system integration (i.e. designing, integrating and selling gen-sets and power generation systems); and (ii) investment, building and operating business (i.e. designing, investing in, building and operating DPG stations for off-takers).

Set out below is a summary of the audited financial information of the Group for the three financial years ended 31 December 2022:

	<b>For the year ended 31 December</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3,361,325	5,094,079	3,386,936
Profit/(loss) before tax	(316,199)	106,677	582,365
Profit/(loss) for the year attributable to the Shareholders	(316,852)	45,689	516,294
	<b>As at 31 December</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash and cash equivalents	122,347	462,359	978,182
Total assets	8,911,328	10,349,317	9,131,061
Total current liabilities	5,631,430	4,509,195	3,195,506
Total liabilities	5,771,271	6,816,870	5,649,573
Net current assets/(liabilities)	(1,081,407)	467,683	152,544
Net assets	3,140,057	3,532,447	3,481,488

VH is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company that is primarily engaged in investment holding, trading of engines and components, and sale and installation of power generation systems.

Energy Garden is a company incorporated in the British Virgin Islands with limited liability and is the controlling shareholder of the Company holding approximately 69.71% of the entire issued share capital of the Company as at the date of this joint announcement. Energy Garden is wholly-owned by Konwell Developments Limited, which is in turn owned as to (i) 58.87% by Sunpower Global Limited (which is ultimately and entirely owned by Mr. Lam Yee Chun, an executive Director, the executive chairman and a co-chief executive officer of the Group); (ii) 20.57% by Classic Legend Holdings Limited (which is ultimately and entirely owned by Ms. Chan Mei Wan, the spouse of Mr. Lam Yee Chun and a non-executive Director); (iii) 10.28% by Jet Lion Holdings Limited (which is ultimately and entirely owned by Mr. Lee Chong Man Jason, an executive Director and a co-chief executive officer of the Group); and (iv) 10.28% by Jubilee City Limited (which is ultimately and entirely owned by Ms. Tang Wenjing who is an employee of the Group). The principal business of Energy Garden is investment holding.

The Subscriber is a company established under the laws of the PRC with limited liability and is indirectly wholly owned and managed by the Central SASAC. Its principal business includes, among other things, import and export of technology, goods and technical services, foreign

contract projects and contract energy management. Headquartered in Beijing, up to the date of this joint announcement, the Subscriber group has completed more than 7,500 major technical equipment import, international engineering contracting, complete equipment and technology export projects valued over USD120 billion. These projects cover energy, transportation, communication, petrochemical, metallurgical, building materials, machinery, electronics and pharmaceutical industries, agriculture, and forestry. As of the date of this joint announcement, the sole executive director of the Subscriber is Mr. Lu Weijun (陸衛軍). Mr. Lu, aged 52, is currently the deputy general manager of Genertec International Holding Co., Ltd. (通用技術集團國際控股有限公司). Mr. Lu was graduated from China University of Mining and Technology (中國礦業大學) and with the qualification of engineer.

#### **4. LISTING RULES IMPLICATIONS**

The Subscription Shares will be allotted and issued under Specific Mandate to be sought from the Independent Shareholders at the EGM. The Subscriber and its ultimate beneficial owners are not connected persons of the Company.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and the Public Float Shares.

The Subscription will result in the Public Float of the Shares falling below the requirements under Rule 8.08(1) of the Listing Rules. In general, the Stock Exchange would not grant the listing of, and permission to deal in new Shares where the issue of such new Shares would cause or facilitate a breach of requirement(s) under the Listing Rules. Measures will be implemented by the Company to comply with the public float requirement. The grant of the listing of, and permission to deal in the Subscription Shares is subject to the Company having put in place adequate arrangements to meet the public float requirements under Rule 8.08(1) of the Listing Rules both before and after the Completion, and the Company intends to enter into (i) placing agreement(s) with placing agent(s) and/or (ii) subscription agreement(s) with Independent Third Parties and parties not acting in concert with the Subscriber, to implement the issue of Public Float Shares, failing which the Subscription will not proceed on the basis that the Public Float of Shares cannot be maintained. The Company will make further announcement(s) as soon as practicable with the details of such arrangement, if and when appropriate.

## **5. TAKEOVERS CODE IMPLICATIONS**

### **(a) No dealings by the Subscriber or parties acting in concert**

As at the date of this joint announcement, (i) the Subscriber does not hold any Shares; (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun (being the controlling shareholder of Energy Garden), Mr. Lee Chong Man Jason (being the ultimate beneficial owner of 10.28% equity interest of Energy Garden), Ms. Chan Mei Wan (being the ultimate beneficial owner of 20.57% equity interest of Energy Garden, the spouse of Mr. Lam Yee Chun and a non-executive Director), Mr. Chan Yat Chor (being a brother of Ms. Chan Mei Wan), Ms. Tang Wenjing (being the ultimate beneficial owner of 10.28% equity interest of Energy Garden), Next Admiral and CRRC (HK)) hold an aggregate of 2,199,432,322 Shares, representing approximately 81.41% of the existing issued share capital of the Company as at the date of this joint announcement.

Assuming that the presumed concert party relationship between each of CRRC (HK) and Next Admiral on the one hand and the Subscriber on the other hand is rebutted, as at the date of this joint announcement, parties acting in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor and Ms. Tang Wenjing) hold an aggregate of 1,892,881,000 Shares, representing approximately 70.06% of the existing issued share capital of the Company as at the date of this joint announcement.

None of the Subscriber and parties acting in concert with it had any dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period commencing on the date falling six months prior to the date of this joint announcement and ending on the date of this joint announcement. Details of dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by Next Admiral and CRRC (HK) will be obtained as soon as possible after this joint announcement has been made. The statements and/or confirmations in this joint announcement as to dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Subscriber are subject to the dealings (if any) of Next Admiral and CRRC (HK).



**(b) The Whitewash Waiver application**

Assuming that there will be no change in the issued share capital of the Company between the date of this joint announcement and the Completion, the Subscription Shares to be allotted and issued represent (i) approximately 121.79% of the existing issued share capital of the Company as at the date of this joint announcement; and (ii) approximately 54.91% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. Assuming the proposed restoration of Public Float of Shares is implemented with a total of 949,076,711 Public Float Shares to be issued, the Subscription Shares represent approximately 47.40% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and the Public Float Shares.

The Subscriber will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities not already owned or agreed to be acquired by it or parties acting in concert with it after Completion Date pursuant to Rule 26 of the Takeovers Code. In this regard, the Subscriber will make an application to the Executive for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26.1 of the Takeovers Code as a result of the allotment and issue of the Subscription Shares to the Subscriber.

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Subscription, respectively, at the EGM.

(i) The Subscriber, (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor, Ms. Tang Wenjing, Next Admiral and CRRC (HK)); and (iii) any other parties who are interested in or involved in the Subscription and/or the Whitewash Waiver (including Mr. Lo Siu Yuen (being an executive Director)) shall abstain from voting in respect of the resolution(s) to approve the Subscription and the Whitewash Waiver at the EGM.

As at the date of this joint announcement, save for the aforesaid persons, there are no other Shareholders who are interested in or involved in the Subscription and/or the Whitewash Waiver.

**The Executive may or may not grant the Whitewash Waiver. The Subscription will not proceed if the Whitewash Waiver is not granted or approved.**

## **6. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

As at the date of this joint announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 2,701,693,013 Shares have been issued. Subject to and upon Completion, 3,290,457,511 Subscription Shares will be issued under Specific Mandate and it is currently contemplated that not less than 949,076,711 Public Float Shares will be issued to maintain the Public Float of Shares. In order to accommodate the issue of the Subscription Shares and the Public Float Shares, and also taking into account the needs of the issue of new Shares by the Company for fund raising or other purposes in future, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 Shares.

The increase in the authorised share capital of the Company is conditional upon the approval of the Shareholders at the EGM.

The Directors are of the view that the increase in the authorised share capital of the Company is in the interest of the Company and its Shareholders as a whole.

## **7. EFFECT ON THE SHAREHOLDING STRUCTURE AS A RESULT OF THE SUBSCRIPTION AND THE PROPOSED ISSUE OF THE PUBLIC FLOAT SHARES**

As at the date of this joint announcement, the number of issued Shares is 2,701,693,013 Shares. As at the date of this joint announcement, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for Shares.

Immediately upon the Completion (but without taking into account any Shares to be issued to restore the Public Float of Shares), the minimum public float requirement of 25% under Rule 8.08(1) of the Listing Rules will not be satisfied.

Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, trading in the Shares will be suspended when the percentage of the public float has fallen below 15%. On this basis, the Company intends that it shall issue such number of Shares to restore the public float of the Company to comply with Rule 8.08(1) of the Listing Rules, the completion of which shall be simultaneous with the Completion.

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion and the proposed issue of the Public Float Shares (assuming there is no change in the total issued share capital of the Company since the date of this joint announcement and up to Completion save for the issue of the Subscription Shares and the Public Float Shares).

	As at the date of this joint announcement		Immediately after Completion and the issue of the Public Float Shares <sup>(Note 2)</sup>	
	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares
<b>Subscriber and parties acting, or presumed to be acting, in concert with it</b>				
<i>Subscriber</i> <sup>(Note 8)</sup>	—	—	3,290,457,511	47.40%
<i>Energy Garden</i> <sup>(Note 3,4,8)</sup>	1,883,446,000	69.71%	1,883,446,000	27.13%
<i>Lam Yee Chun</i> <sup>(Note 3,4,5,8,9)</sup>	2,605,000	0.10%	2,605,000	0.04%
<i>Chan Mei Wan</i> <sup>(Note 3,4,5,8,9)</sup>	908,000	0.03%	908,000	0.01%
<i>Lee Chong Man Jason</i> <sup>(Note 3,4,5,8,9)</sup>	472,000	0.02%	472,000	0.01%
<i>Tang Wenjing</i> <sup>(Note 3,4,5,12)</sup>	330,000	0.01%	330,000	0.00%
<i>Next Admiral</i> <sup>(Note 6,12)</sup>	208,768,000	7.73%	208,768,000	3.01%
<i>CRRC (HK)</i> <sup>(Note 6,12)</sup>	97,783,322	3.62%	97,783,322	1.41%
<i>Chan Yat Chor</i> <sup>(Note 7,8)</sup>	5,120,000	0.19%	5,120,000	0.07%
<b>Subtotal</b>	<b>2,199,432,322</b>	<b>81.41%</b>	<b>5,489,889,833</b>	<b>79.09%</b>
<b>Other Non-public Shareholders</b> <sup>(Note 8)</sup>				
<i>Lo Siu Yuen</i> <sup>(Note 9)</sup>	17,611,000	0.65%	17,611,000	0.25%
<i>Other core connected persons</i> <sup>(Note 10)</sup>	5,300,915	0.20%	5,300,915	0.08%
<b>Subtotal</b>	<b>22,911,915</b>	<b>0.85%</b>	<b>22,911,915</b>	<b>0.33%</b>
<b>Public Shareholders</b>				
<i>Trustee of the Share Award Scheme</i> <sup>(Note 11)</sup>	13,666,803	0.51%	13,666,803	0.20%
<i>Remaining public Shareholders other than Tang Wenjing, Next Admiral, CRRC (HK) and holders of Public Float Shares</i> <sup>(Note 12)</sup>	465,681,973	17.24%	465,681,973	6.71%
<i>Holders of Public Float Shares</i> <sup>(Note 13)</sup>	—	—	949,076,711	13.67%
<b>Total</b>	<b><u>2,701,693,013</u></b>	<b><u>100.00%</u></b>	<b><u>6,941,227,235</u></b>	<b><u>100.00%</u></b>

Notes:

- Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- Assuming a minimum number of new 949,076,711 Shares are issued to restore the Public Float.

- (3) Energy Garden is wholly-owned by Konwell Developments Limited, which is in turn owned as to (i) 58.87% by Sunpower Global Limited (which is ultimately and entirely owned by Mr. Lam Yee Chun, an executive Director, the executive chairman and a co-chief executive officer of the Group); (ii) 20.57% by Classic Legend Holdings Limited (which is ultimately and entirely owned by Ms. Chan Mei Wan, the spouse of Mr. Lam Yee Chun and a non-executive Director); (iii) 10.28% by Jet Lion Holdings Limited (which is ultimately and entirely owned by Mr. Lee Chong Man Jason, an executive Director and a co-chief executive officer of the Group); and (iv) 10.28% by Jubilee City Limited (which is ultimately and entirely owned by Ms. Tang Wenjing who is an employee of the Group).
- (4) By virtue of the joint venture relationship between the Company and the Subscriber through CNTIC VPower JV, Energy Garden and its beneficial owners, Mr. Lam Yee Chun, Ms. Chan Mei Wan, Mr. Lee Chong Man Jason and Ms. Tang Wenjing are presumed to be acting in concert with the Subscriber.
- (5) The figures represent the Shares held by Mr. Lam Yee Chun, Ms. Chan Mei Wan, Mr. Lee Chong Man Jason and Ms. Tang Wenjing in their personal capacity as beneficial owners and do not take into account the Shares beneficially owned by them through their indirect interest in Energy Garden.
- (6) Based on available public information, Next Admiral is a corporation indirectly wholly-owned by CITIC Limited which is controlled by CITIC Group Corporation, which is ultimately owned by the Ministry of Finance of the PRC. CRRC (HK) is a subsidiary of CRRC which is a controlled corporation of CRRC GROUP Co., Ltd., which is a wholly state-owned enterprise under Central SASAC. An application has been made to the Executive to rebut the presumption that Next Admiral and CRRC (HK) are acting in concert with the Subscriber in respect of the Subscription. For further details on the application of the rebuttal of Class 1 Presumptions under the Takeovers Code for these entities, please refer to the paragraph headed “13. Information Required under the Takeovers Code” of this joint announcement.
- (7) Mr. Chan Yat Chor is a brother of Ms. Chan Mei Wan (who is the ultimate beneficial owner of 20.57% equity interest of Energy Garden, the spouse of Mr. Lam Yee Chun and a non-executive Director) and hence is presumed to be acting in concert with the Subscriber.
- (8) Other non-public Shareholders refer to holders of Shares who are not “public” (as defined under the Listing Rules), other than the Subscriber, Energy Garden, Mr. Lam Yee Chun, Ms. Chan Mei Wan, Mr. Lee Chong Man Jason and Mr. Chan Yat Chor (being a director of certain subsidiaries of the Company and a brother of Ms Chan Mei Wan and is therefore presumed to be acting in concert with the Subscriber), the shareholding of each such entity and person are disclosed under “Subscriber and parties acting, or presumed to be acting, in concert with it”.
- (9) Mr. Lam Yee Chun, Ms. Chan Mei Wan, Mr. Lee Chong Man Jason and Mr. Lo Siu Yuen are Directors. Save as aforesaid, there are no other Directors who hold Shares as of the date of this joint announcement.
- (10) As at the date of this joint announcement, a total of 5,300,915 Shares are held by six directors of certain subsidiaries of the Company comprising (i) Mr. Liu Boyang, (ii) Mr. Yip Ming Wai, (iii) Mr. Tam Hau Shing, (iv) Mr. Tsang To, (v) Mr. Tang Wenlong (who is a cousin of Ms. Tang Wenjing, being the ultimate beneficial owner of 10.28% equity interest of Energy Garden and an employee of the Group) and (vi) Ms. Liang Hongyao, all being core connected persons (as defined in the Listing Rules) of the Company and who are not considered as public shareholders under Rule 8.24 of the Listing Rules. However, all of them are not interested in or involved in the Subscription and/or the Whitewash Waiver and are Independent Shareholders. The above figure does not take into account 5,120,000 Shares held by Mr. Chan Yat Chor (being a director of certain subsidiaries of the

Company and a brother of Ms Chan Mei Wan and is therefore presumed to be acting in concert with the Subscriber), whose shareholding is disclosed under “Subscriber and parties acting, or presumed to be acting, in concert with it”.

- (11) As at the date of this joint announcement, the trustee of the Share Award Scheme, namely, Bank of Communications Trustee Limited, holds 13,666,803 Shares (being the unvested Shares held on trust by the trustee for the selected eligible persons under the Share Award Scheme). Pursuant to the rules of the Share Award Scheme and Rule 17.05A of the Listing Rules, the trustee of the Share Award Scheme shall abstain from voting in respect of all the resolutions to be proposed at the EGM.
- (12) Shares held by each of Ms. Tang Wenjing in her personal capacity as beneficial owner, Next Admiral and CRRC (HK) are considered to be held by “public” (as defined under the Listing Rules).
- (13) It is expected that each of the subscribers of the Public Float Shares and (where a corporation) their respective ultimate beneficial owners(s) will be independent of and not connected with the Company and its connected persons or parties acting in concert with the Subscriber. It is expected that none of the subscribers of the Public Float Shares will be parties acting in concert with the Subscriber or will become substantial shareholders of the Company immediately after the said allotment and issue.

## **8. EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months before the date of this joint announcement.

## **9. REASONS FOR THE SUBSCRIPTION**

The Directors (excluding the members of the Independent Board Committee, who will form their view after considering advice from the Independent Financial Adviser) are of the view that the Subscription will be advantageous to both financial performance and strategic development of the Group.

As reported in the consolidated financial statements of the Group for the year ended 31 December 2022, the Group had total liabilities of approximately HK\$5,771.3 million and net current liabilities of approximately HK\$1,081.4 million.

The Company had explored and assessed other financing alternatives, including both debt and equity financing, before entering into the Subscription Agreement with the Subscriber.

As far as debt financing is concerned, mainly due to the Group’s reduced profits and tightened cash flow in the past two years, the Group’s attempts to request existing financial institutes for upsizing current banking facilities to the Group, as well as its approach for obtaining new credit facilities from other banks or financial institutes, were not successful. In addition, further increase in finance cost associated with increased debt may adversely enlarge the Group’s loss.

As far as equity financing is concerned, the Company attempted to explore possible equity financing. However, due to global economic downturn and negative market sentiment at the material time, as well as the market concern about the Group's exposure in Myanmar, no substantive progress for raising funds through equity financing has been reached so far.

The Subscription will immediately lower the Group's current liabilities by the Capitalised EPC Amount, bring immediate improvement to the Group's financial positions and improve its financial indicators including current ratio and net gearing ratio, which can be illustrated based on the extraction of certain information from the audited consolidated financial statements for the year ended 31 December 2022 as shown below:

	<b>As at 31 December 2022</b>	<b>Financial impact of the Subscription based on the financial position as at 31 December 2022 (for illustration purposes only)</b>
	<i>HK\$'000</i> (Audited)	<i>HK\$'000</i>
<b><i>Financial position:</i></b>		
Total current liabilities	5,631,430	4,249,438
Total liabilities	5,771,271	4,389,279
Net current assets/(liabilities)	(1,081,407)	300,585
Net assets	3,140,057	4,522,049
<b><i>Financial indicators:</i></b>		
Current ratio	0.81	1.07
Net gearing ratio	88.0%	61.1%

The Subscriber is a sizable, well-established and highly reputable state-owned enterprise with solid financial resources. As the new controlling shareholder of the Company upon the Completion, the Subscriber is expected to become a strong backup of the Group for its access to various financial resources for new project investments and business expansion so as to resume the fast growth and become a stronger and bigger contributor to the green energy market of the world. Leveraging on the financial strength and corporate scale of the Subscriber, it is also expected that the Group will be able to enjoy a lower cost of capital and more sources of financing, and subsequently achieve a stronger financial position and a higher shareholders' return.

The Group is an experienced specialist of clean, fast-track, flexible and mobile distributed power which is well-positioned to capture the numerous business opportunities brought by energy transition. It is expected that the Subscriber will facilitate the Group's business growth with its global reach and extensive business network in order to drive the strategic development of its own

distributed power segment in the international market. The business support from the Subscriber will enable the Group to efficiently execute the asset redeployment plans and business development plans for higher returns on assets.

It is also expected that the Subscription will support the Group to maintain a leading position in the fast-track distributed power generation industry with innovative technologies given the Subscriber's strong R&D and technological capabilities. R&D and technological synergies will emerge allowing the Group to accelerate the development of new and innovative products and solutions to stay ahead of its competitors and provide its customers with cutting-edge green solutions. The Subscription is expected to foster the technological collaboration between the Group and the Subscriber to develop alternative fuel to power solutions and smart grid integration technologies in support of the global decarbonisation journey.

For the above reasons, the Directors (excluding the members of the Independent Board Committee, who will form their view after considering advice from the Independent Financial Adviser) believe that, despite the dilution effect brought by the issue of the Subscription Shares and the Public Float Shares, the Subscription and the issue of the Public Float Shares would be in the interests of the Company and Shareholders as a whole.

#### **10. FUTURE INTENTION OF THE SUBSCRIBER REGARDING THE GROUP**

The Subscriber intends to continue with the existing principal businesses of the Group. The Subscriber also intends to maintain the listing of the Shares on the Stock Exchange following the Completion.

It has been the mutual intention for the Company and the Subscriber to deepen their business cooperation, and through the Subscription, it is believed that synergy can be created. It is contemplated by the Company and the Subscriber that through the Subscription, the relationship between the parties can be solidified, while at the same time allowing the Company to strengthen its financial position.

#### **11. ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISOR**

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on, among other things, the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) and the Whitewash Waiver and as to voting. As Ms. Chan Mei Wan, being a non-executive Director, is the ultimate beneficial owner of 20.57% equity interest of Energy Garden and the spouse of Mr. Lam Yee Chun, the controlling shareholder of Energy Garden which is a party to the Subscription Agreement; and Mr. Wong Kwok Yiu, being a non-executive Director, is an employee of CITIC Pacific Limited (which indirectly wholly owns Next

Admiral and is presumed to be a party acting in concert with the Subscriber), they are not considered to be independent for the purpose of giving advice or recommendations to the Independent Shareholders.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise such committee and the Independent Shareholders as to whether the Subscription and the Whitewash Waiver (as the case may be) are fair and reasonable and make recommendation on voting.

## **12. EGM AND EGM CIRCULAR**

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) by more than 50% of the votes cast by the Independent Shareholders by way of poll; (ii) the Whitewash Waiver by at least 75% of the votes cast by the Independent Shareholders by way of poll, (iii) the proposed issue of the Public Float Shares under Specific Mandate by more than 50% of the votes cast by the Shareholders by way of poll; and (iv) the increase in the authorised share capital of the Company by more than 50% of the votes cast by the Shareholders by way of poll.

(i) The Subscriber, (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor, Ms. Tang Wenjing, Next Admiral and CRRC (HK)); and (iii) any other parties who are interested in or involved in the Subscription and/or the Whitewash Waiver (including Mr. Lo Siu Yuen (being an executive Director)) shall abstain from voting in respect of the resolution(s) to approve the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) and the Whitewash Waiver at the EGM. Pursuant to the rules of the Share Award Scheme and Rule 17.05A of the Listing Rules, the trustee of the Share Award Scheme (who holds 13,666,803 Shares, being the unvested Shares held on trust for the selected eligible persons under the Share Award Scheme as of the date of joint announcement) shall abstain from voting in respect of all the resolutions to be proposed at the EGM.

The EGM Circular containing, among other things: (i) details of the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate), the issue of the Public Float Shares under Specific Mandate, the increase in the authorised share capital of the Company and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee on the Subscription and the Whitewash Waiver; (iii) a letter of advice by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Subscription and the Whitewash Waiver, and (iv) notice of the EGM together with the form of proxy, is expected to be despatched to Shareholders within 21 days from the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code.



The Company will seek the Executive's consent if it becomes aware that the EGM Circular may not be able to be issued within 21 days from the date of this joint announcement and will apply to the Executive for an extension of time for the despatch of such circular. Further announcement(s) will be made by the Company as and when appropriate.

### 13. INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

The Subscriber is aware that certain state-owned enterprises who are Shareholders are presumed to be acting in concert with the Subscriber. In particular, based on publicly available information and information available to the Company, (i) by virtue of (A) a joint venture relationship between the Company and CITIC Pacific Limited (which indirectly wholly owns Next Admiral, a Shareholder) on the one hand, and (B) the joint venture relationship between the Company and the Subscriber in respect of CNTIC VPower JV on the other hand, and (ii) by virtue of the fact that both CRRC (a parent company of CRRC (HK), a Shareholder) and the parent company of the Subscriber (i.e. China General Technology (Group) Holding Co Ltd.) are under the direct supervision of the Central SASAC, each of CRRC (HK) and Next Admiral are presumed to be acting in concert with the Subscriber under class (1) presumption in the definition of "acting in concert" under the Takeovers Code (together the "**Class 1 Presumptions**").

An application has been made to the Executive to rebut the presumption that Next Admiral and CRRC (HK) are acting in concert with the Subscriber in respect of the Subscription.

(i) The Subscriber, (ii) parties acting, or presumed to be acting, in concert with the Subscriber (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor, Ms. Tang Wenjing, Next Admiral and CRRC (HK)); and (iii) any other parties who are interested in or involved in the Subscription and/or the Whitewash Waiver (including Mr. Lo Siu Yuen (being an executive Director)) are not considered as Independent Shareholders in respect of the EGM and shall abstain from voting on the resolutions regarding the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate) and the Whitewash Waiver at the EGM.

Details of dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by Next Admiral and CRRC (HK) will be obtained as soon as possible after this joint announcement has been made. The statements and/or confirmations in this joint announcement as to dealings in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Subscriber are subject to the dealings (if any) of Next Admiral and CRRC (HK).

As at the date of this joint announcement, the Subscriber confirms that:

(a) save for the Subscription Agreement, none of the Subscriber or parties acting in concert with it has dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company within the six months immediately prior to and up to the date of this joint announcement;

- (b) other than the Subscription, none of the Subscriber or parties acting in concert with it will make any acquisition or disposal of voting rights in the Company, which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of this joint announcement and up to (and including) the Completion Date without prior consent of the Executive;
- (c) save as disclosed in the paragraph headed “7. Effect on the shareholding structure as a result of the Subscription and the proposed issue of the Public Float Shares” in this joint announcement, there is no holding of voting rights in the Company or rights over any Shares which is owned, controlled or directed by the Subscriber or parties acting in concert with it;
- (d) none of the Subscriber or parties acting in concert with it holds any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares, nor has entered into any outstanding derivative in respect of securities in the Company;
- (e) there is no outstanding derivative in respect of the securities of the Company which has been entered into by any of the Subscriber or parties acting in concert with it;
- (f) save for the Subscription Agreement, there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the Shares or shares of the Subscriber and which might be material to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver;
- (g) none of the Subscriber or parties acting in concert with it has received any irrevocable commitment from any person as to whether they will vote for or against the resolutions approving the Subscription Agreement and the transactions contemplated thereunder, Specific Mandate or the Whitewash Waiver;
- (h) save for the Subscription Agreement, there are no agreements or arrangements to which the Subscriber is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription or the Whitewash Waiver;
- (i) none of the Subscriber or parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (j) save for the application and offsetting of the Capitalised EPC Amount against the Subscription Amount pursuant to the Subscription Agreement, none of the Subscriber or parties acting in concert with it has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any of the parties acting in concert with it in connection with the Subscription;

- (k) save for the Subscription Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber or any party acting in concert with it (on the one hand) and the Company and any party acting in concert with it (on the other hand); and
- (l) there is no understanding, arrangement or agreement or special deal between (i) any Shareholder, and (ii)(a) the Subscriber and any party acting in concert with it, or (b) the Company, its subsidiaries or associated companies.

As at the date of this joint announcement, the Company does not believe that the Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this joint announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the EGM Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Subscription does not comply with other applicable rules and regulations.

#### **14. OTHER MATTERS**

**The Subscription will not proceed without the grant of the Whitewash Waiver, which may or may not be granted by the Executive and if granted will, among other things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Subscription, respectively, at the EGM.**

**As the Completion is subject to (i) the satisfaction (or waiver, where applicable) of the conditions precedent as set out in the Subscription Agreement, and (ii) the Subscription Agreement not having been terminated prior to the Completion in accordance with the terms therein, Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their stockbrokers, bank managers, solicitors or other professional advisers if they are in any doubt about their position and as to actions that they should take.**

## 15. DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms will have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day that is not a Saturday, Sunday or a public holiday in Hong Kong or a day on which a tropical cyclone warning signal number 8 or above, or a black rainstorm warning signal is hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. (Hong Kong time) on which licensed banks in Hong Kong are open generally for normal banking business
“Capitalised EPC Amount”	such portion of the Outstanding EPC Amount that will be used to offset the Subscription Amount in full, being HK\$1,381,992,155
“Central SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“CITIC Limited”	CITIC Limited (中國中信股份有限公司), a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 267)
“CITIC Pacific Limited”	CITIC Pacific Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of CITIC Limited
“CNTIC VPower JV”	CNTIC VPower Group Holdings Limited (中技偉能集團控股有限公司), a company incorporated in Hong Kong with limited liability and a 50/50 joint venture of the Group and the Subscriber
“Company”	VPower Group International Holdings Limited (偉能集團國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1608)
“Completion”	the completion of the Subscription
“Completion Date”	expected to be the fifth Business Day after the day on which the last condition precedent to Completion is fulfilled (or waived, where applicable) and remaining fulfilled up to Completion

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CRRC”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Stock Exchange (stock code: 1766) and the Shanghai Stock Exchange (stock code: 601766), respectively
“CRRC (HK)”	CRRC (Hong Kong) Co., Limited (中國中車(香港)有限公司), a company incorporated in Hong Kong with limited liability and a subsidiary of CRRC
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the Subscription (including the allotment and issue of the Subscription Shares under Specific Mandate), the issue of the Public Float Shares under Specific Mandate, the proposed increase in the authorised share capital of the Company and the Whitewash Waiver
“EGM Circular”	the circular of the EGM to be despatched to the Shareholders within 21 days from the date of this joint announcement
“Energy Garden”	Energy Garden Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Company, it being the Warrantor
“EPC”	engineering, procurement and construction, a particular form of contracting arrangement used in some industries where the EPC contractor is made responsible for all the activities from design, procurement, construction, to commissioning and handover of the project to the end-user or owner
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	the Company and its subsidiaries from time to time
“Group Company”	a member of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IBO”	investment, building and operating business, one of the two principal business segments of the Group
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, which was formed to advise the Independent Shareholders on the Subscription (including the issue and allotment of the Subscription Shares under Specific Mandate) and the Whitewash Waiver pursuant to the Takeovers Code
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee in relation to the Subscription and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than (i) the Subscriber and parties acting, or presumed to be acting, in concert with it (including Energy Garden, Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, Ms. Chan Mei Wan, Mr. Chan Yat Chor, Ms. Tang Wenjing, Next Admiral and CRRC (HK)), and (ii) all other parties who are interested in or involved in the Subscription and/or the Whitewash Waiver (including Mr. Lo Siu Yuen)
“Independent Third Party(ies)”	third party(ies) independent of and not acting in concert with the Company or any of its substantial shareholders in relation to the control of the Company within the meaning of the Takeovers Code and independent of and not connected with the Company, any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	9 June 2023, being the last trading day of the Shares on the Stock Exchange prior to the date of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Long Stop Date”	the date that is three months after the date of the Subscription Agreement (i.e. 12 September 2023)
“Myanmar”	The Republic of the Union of Myanmar
“Next Admiral”	Next Admiral Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CITIC Pacific Limited
“Outstanding EPC Amount”	the total amount owed by VH to the Subscriber in the amount of USD197,096,574.15 (equivalent to approximately HK\$1,537,353,000) under the Subcontractor EPC Contract
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Public Float”	means the requirement under Rule 8.08 of the Listing Rules for a listed company to maintain at least 25% of the total number of issued shares held by the public (or such lower level as may be approved by the Stock Exchange)
“Public Float Shares”	the Shares (currently expected to be not less than 949,076,711 Shares) proposed to be allotted and issued by the Company to restore the Public Float
“Share Award Scheme”	the share award scheme adopted by the Company on 18 July 2017
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SI”	system integration business, one of the two principal business segments of the Group
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the issue of the Subscription Shares and any Public Float Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subcontractor EPC Contract”	the subcontractor EPC contract dated 14 October 2019 entered into between VH and the Subscriber in relation to the subcontracting work undertaken by the Subscriber for the 400 MW Thaketa Project (and its amendments)
“Subscriber”	China National Technical Import & Export Corporation (中國技術進出口集團有限公司), a wholly-owned subsidiary of China General Technology (Group) Holding Co Ltd., which is under the direct supervision of Central SASAC
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into among the Company, the Subscriber, VH and Energy Garden as the warrantor dated 12 June 2023 in relation to the Subscription
“Subscription Amount”	HK\$1,381,992,155
“Subscription Price”	HK\$0.42 per Subscription Share
“Subscription Share(s)”	3,290,457,511 new Shares conditionally agreed to be allotted and issued by the Company and subscribed for by the Subscriber pursuant to the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“USD”	United States Dollars, the lawful currency of the United States of America
“VH”	VPower Holdings Limited (偉能集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Warrantor”	Energy Garden, a warrantor under the Subscription Agreement



“Whitewash Waiver”

the waiver by the Executive under Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber to make a general offer to the Shareholders for all issued shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber or any persons acting in concert with it as a result of the issue of the Subscription Shares to the Subscriber

“%”

per cent

**China National Technical Import &  
Export Corporation**  
中國技術進出口集團有限公司  
**Lu Weijun**  
*Sole executive director*

By Order of the Board  
**VPower Group International  
Holdings Limited**  
**Lam Yee Chun**  
*Executive Chairman and  
Co-Chief Executive Officer*

Hong Kong, 12 June 2023

*As at the date hereof, the Board comprises Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, and Mr. Lo Siu Yuen as executive directors; Ms. Chan Mei Wan and Mr. Wong Kwok Yiu as non-executive directors; and Mr. David Tsoi, Mr. Yeung Wai Fai Andrew and Mr. Suen Wai Yu as independent non-executive directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of information (other than that relating to the Subscriber) contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the sole executive director of the Subscriber) 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.*

*As at the date hereof, the sole executive director of the Subscriber is Lu Weijin (陸衛軍).*

*The sole executive director of the Subscriber accepts full responsibility for the accuracy of the information relating to the Subscriber contained in this joint announcement and has confirmed, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed by the Subscriber or its sole executive director 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.*

*Unless otherwise specified in this joint announcement and for the purpose of illustration only, USD has been translated to HK\$ at the rate of USD1=HK\$7.8. No representation has been made by the Company that any amount expressed in foreign currency in this joint announcement has been, could have been or could be converted at any rates at all. The actual exchange rate between USD and HK\$ for the purpose of the transaction shall be subject to the Subscription Agreement.*