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## **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)

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED DISPOSAL AND LEASING ARRANGEMENTS OF POWER GENERATION ASSETS**

This announcement is made by VPower Group International Holdings Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business update of the Group.

#### **MEMORANDUM OF UNDERSTANDING**

The board of directors of the Company (the “**Board**”) is pleased to announce that on 24 May 2024, the Company entered into a memorandum of understanding (the “**MOU**”) with China National Technical Import & Export Corporation (中國技術進出口集團有限公司) (“**CNTIC**”), a controlling Shareholder, in relation to (i) the potential disposal of power generation fixed assets and inventory (the “**Power Generation Assets**”) by the Group for cash consideration to an asset management platform to be set up by CNTIC (the “**Assets Disposal**”); and (ii) the potential leasing arrangements between the Group and the asset management platform of CNTIC for a long-term and exclusive use of the same Power Generation Assets by the Group for execution of its power projects (collectively with the Assets Disposal, the “**Transactions**”).

The MOU is not legally binding and the completion of the Transactions is subject to further negotiations and shall be conditional on the fulfilment of certain conditions, among others, (a) the parties having entered into the relevant legally binding definitive agreements in relation to the Transactions (the “**Definitive Agreements**”); (b) the Group and CNTIC having obtained their respective necessary consents or approvals for entering into the Definitive Agreements and completion of the Transactions including the independent Shareholders’ approval required in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); and (c) customary conditions for transactions of similar nature which are reasonably necessary for completion of the Transactions contained in the Definitive Agreements having been satisfied or waived in accordance with its terms.

The Board will continue to negotiate with CNTIC to achieve finalisation of the terms of the Definitive Agreements.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU**

The Group is one of the world-leading operators and owners of engine-based distributed power generation stations with business presence across various countries. The Board considers that the MOU sets off the Group's asset-light strategy journey. The Transactions, if materialised, allow the Group to focus on its core operational competencies, leverage the resources of the controlling Shareholder, improve liquidity and profitability in a high interest rate environment and adapt quickly to changing market conditions.

The Group intends to use the proceeds from Assets Disposal, if materialised, for loan repayments and as working capital.

## **GENERAL**

The MOU may or may not lead to the entering into of the Definitive Agreements and the Transactions may or may not be consummated. As CNTIC is a controlling Shareholder interested in approximately 49.24% of the issued share capital of the Company, it is a connected person of the Company. As such, the Transactions, if materialised, shall constitute (i) connected transactions or continuing connected transactions for the Company under Chapter 14A of the Listing Rules, and, (ii) subject to the terms of the Definitive Agreements, a notifiable transaction for the Company under Chapter 14 of the Listing Rules that are subject to independent shareholders' approval. Further announcement(s) and other disclosures as required under the Listing Rules will be made in respect thereof as and when required.

By Order of the Board  
**VPower Group International Holdings Limited**  
**Kang Hubiao**  
*Chairman*

Hong Kong, 24 May 2024

*As at the date hereof, the Board comprises Dr. Kang Hubiao, Mr. Lam Yee Chun, Mr. Lu Weijun, Mr. Li Haifeng and Mr. Jin Jiantang as executive directors; Mr. Wong Kwok Yiu as a non-executive director; and Mr. Suen Wai Yu, Dr. Wang Zheng and Dr. Lin Tun as independent non-executive directors.*