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China Singyes Solar Technologies Holdings Limited

中國興業太陽能技術控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 750)

**PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
CLARIFICATION ON ANNOUNCEMENT IN RELATION TO PROPOSED
ISSUE OF HK\$230 MILLION 12% CONVERTIBLE BONDS DUE 2021
AND
RESUMPTION OF TRADING**

Placing Agent



軟庫中華金融服務有限公司
SBI China Capital Financial Services Limited

On 10 October 2018 (before trading hours), the Subscriber, the Company and the Placing Agent entered into the Placing and Subscription Agreement pursuant to which (i) the Placing Agent have agreed to act as agent for the Subscriber to place, on a best efforts basis, and the Subscriber has agreed to sell, a total of up to 17,800,000 existing Placing Shares to not less than six Placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Subscriber, the Company and their respective associates and connected persons, at the Placing Price of HK\$2.2 per Placing Share; and (ii) the Subscriber has conditionally agreed to subscribe for up to 17,800,000 new Subscription Shares at the Subscription Price of HK\$2.2 per Subscription Share.

The Placing Shares represent (i) approximately 2.13% of the existing issued share capital of the Company of 834,073,195 Shares as at the date of this announcement; and (ii) approximately 2.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

The Subscription is conditional upon (i) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and (ii) completion of the Placing.

The gross proceeds from the Subscription will be approximately HK\$39.2 million. The net proceeds from the Subscription will amount to approximately HK\$37.8 million which is intended to be used for general working capital purpose. The net price raised per Subscription Share will be approximately HK\$2.12 per Share.

Completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent in the Placing and Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date

10 October 2018 (before trading hours)

Parties Involved

The Company, the Subscriber and the Placing Agent

The Subscriber

As at the date of the Placing and Subscription Agreement, the Subscriber holds 320,283,750 Shares, representing approximately 38.40% of the existing issued share capital of the Company.

Placing and Subscription

The Placing Agent has agreed to act as agent to the Subscriber to place, on a best efforts basis, the Placing Shares at the Placing Price and will receive a placing commission of 3.5% of the amount equal to the aggregate Placing Price of the Placing Shares. The placing commission was arrived at after arm's length negotiation between the Company, the Subscriber and the Placing Agent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placees and its ultimate beneficial owner is independent of and not connected with the Subscriber, the Company and their respective associates and connected persons, and are not acting in concert with the Subscriber (or parties acting in concert with it) or associates.

Pursuant to the Placing and Subscription Agreement, the Subscriber agreed to place, through the Placing Agent, up to 17,800,000 Placing Shares to the Placees at a price of HK\$2.2 per Placing Share and the Subscriber will subscribe the Subscription Shares at a price of HK\$2.2 per Subscription Share.

Details of the Placing and the Subscription are set out below.

1. *Placing*

Placee(s)

The Placing Agent agreed to place the Placing Shares to not fewer than six Placees who and whose ultimate beneficial owners are third parties independent of and are not connected with the Company and its connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after the Placing. In the event any of the Placees becomes a substantial shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and Subscription, the maximum number of up to 17,800,000 Placing Shares under the Placing represent (i) approximately 2.13% of the existing issued share capital of the Company of 834,073,195 Shares as at the date of this announcement; and (ii) approximately 2.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be US\$178,000.

Rights of Placing Shares

The Placing Shares will be sold free from all liens, charges and encumbrances and together with the rights attaching to them, including the right to receive all dividends declared, made or paid on or after the Placing Completion Date.

Placing Price

The Placing Price of HK\$2.2 represents:

- (i) a discount of 12% to the closing price of HK\$2.50 as quoted on the Stock Exchange on the last trading day prior to the date of this announcement and the date of the Placing and Subscription Agreement; and
- (ii) a discount of approximately 15.7% to the average closing price of HK\$2.61 in the last 5 trading days immediately prior to the date of the Placing and Subscription Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Subscriber, the Company and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

Placing Commission and Expenses

The Company will be responsible for the placing commission of 3.5% of the aggregate Placing Price of the Placing Shares, all Hong Kong stamp duty, brokerage, trading fee, transaction levy chargeable to the Subscriber in relation to the Placing, any and all fees payable to the Stock Exchange and SFC, and all charges, fees and expenses of the Company's branch share registrar in Hong Kong. Such costs, fees and expenses will, to the extent borne ultimately by the Subscriber, be borne by the Company.

Completion of the Placing

Subject to the provision of evidence to the Placing Agent's reasonable satisfaction that the Subscriber can effectively transfer of the Placing Shares, the Placing is expected to take place on the Placing Completion Date.

2. *Subscription*

Subscription Shares

The Subscriber has conditionally agreed to subscribe up to 17,800,000 Subscription Shares, representing, in aggregate, (i) approximately 2.13% of the existing issued share capital of the Company; and (ii) approximately 2.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as a result of the Subscription.

Ranking of the Subscription Shares

The Subscription Shares will rank, when fully paid, pari passu in all respects with all other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$2.2:

- (i) represents a discount of 12% to the closing price of HK\$2.50 as quoted on the Stock Exchange on the last trading day prior to the date of this announcement and the date of the Placing and Subscription Agreement; and
- (ii) represents a discount of approximately 15.7% to the average closing price of HK\$2.61 in the last 5 trading days immediately prior to the date of the Placing and Subscription Agreement; and
- (iii) is equal to the Placing Price.

The Subscription Price was arrived at after arm's length negotiations among the Subscriber, the Company and the Placing Agent with reference to the prevailing market prices. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscription

The Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares; and
2. the Completion of the Placing in accordance with the terms of the Placing and Subscription Agreement.

In the event that the conditions of the Subscription are not fulfilled on or before 23 October 2018, all rights, obligations and liabilities of the parties hereunder in relation to the Subscription shall cease and terminate and none of the Company and the Subscriber shall have any claim against any other in respect of the Subscription save for rights and remedies accrued prior to such termination.

Completion of the Subscription

Completion of the Subscription, in any event, will take place on the Business Day next following the fulfillment of all the conditions of the Subscription have been satisfied.

Under Rule 14A.92(4)(a)(ii) of the Listing Rules, the Subscription must be completed on or before 24 October 2018, being 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Subscriber, its ultimate beneficial owners and their respective associates).

General Mandate to issue the Subscription Shares

The issue of the Subscription Shares is not subject to further Shareholders' approval.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM, subject to the limit of 166,814,639 Shares (representing 20% of the number of Shares in issue on the date which the General Mandate was granted). The 17,800,000 Subscription Shares to be allotted and issued will utilise approximately 2.13% of the General Mandate.

Reference is made to the page 14 of the announcement dated 11 October 2018 in relation to the proposed issue of HK\$230 million 12.00% convertible bonds due 2021 (“**Announcement**”), which mentioned that as at the date of the Announcement, except for the proposed top up placing of the Company, the general Mandate has not been utilised. That “proposed top up placing of the Company” is referring to the Placing and top up Subscription under this announcement. Other than that, the Company does not have any other top up placing for the time being.

As at the date of this announcement, except for the proposed issue of the convertible bonds by the Company, the General Mandate has not been utilised.

Completion of the Placing and the Subscription is subject to the satisfaction of the conditions precedent in the Placing and Subscription Agreement. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the design, fabrication and installation of conventional curtain walls and building integrated photovoltaic BIPV systems, and the development and operation of solar projects. The Board considers that the Placing and the Subscription represent an opportunity to improve the liquidity position of the Group, to reduce the financing costs of the Group and to raise further working capital of the Company. The Group is constantly pursuing business expansion strategy which requires additional capital when opportunities arise. In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Placing and the Subscription are in the interests of the Company and its shareholders as a whole and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The net proceeds from the Subscription are estimated to be approximately HK\$165 million which will mainly be used for general working capital purpose.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming no further Shares will be issued or repurchased between the date of this announcement and the completion of the Placing in full and the Subscription, the shareholdings in the Company before and after the Placing and Subscription are summarised as follows:

	As at the date of this announcement		Immediately after completion of Placing but before Subscription		Immediately after completion of Placing and Subscription	
	<i>Number of Shares</i>	<i>Approximate (%)</i>	<i>Number of Shares</i>	<i>Approximate (%)</i>	<i>Number of Shares</i>	<i>Approximate (%)</i>
	Strong Eagle (<i>Note 1</i>)	320,283,750	38.40%	302,483,750	36.27	320,283,750
Placees	—	—	17,800,000	2.13	17,800,000	2.09
Public shareholding	513,789,445	61.60%	513,789,445	61.60	513,789,445	60.31
	<u>834,073,195</u>	<u>100.00%</u>	<u>834,073,195</u>	<u>100.00%</u>	<u>851,873,195</u>	<u>100.00%</u>

Notes:

- (1) Strong Eagle is the beneficial owner of the 320,283,750 Shares and Strong Eagle is owned by Mr. Liu Hongwei (the chairman of the Company and an executive Director), Mr. Sun Jinli, Mr. Xie Wen (an executive Director), Mr. Xiong Shi (an executive Director) and Mr. Zhuo Jianming (a non-executive Director), as to 53%, 15%, 14%, 9% and 9% respectively. As Mr. Liu Hongwei controls more than one-third of the voting power at general meeting of Strong Eagle, he is deemed to be interested in the 320,283,750 Shares owned by Strong Eagle by virtue of the SFO.
- (2) The above figures are based on the assumption that no Share Option(s) in the Share Option Scheme has/have been exercised and no share(s) has/have been issued pursuant to the exercise.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

CLARIFICATION ON ANNOUNCEMENT IN RELATION TO PROPOSED ISSUE OF HK\$230 MILLION 12% CONVERTIBLE BONDS DUE 2021

Reference is made to the announcement (the “**Announcement**”) of China Singyes Solar Technologies Holdings Limited (the “**Company**”) dated 11 October 2018 in relation to the proposed issue of HK\$230 million 12% convertible bonds due 2021 under General Mandate. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company wishes to supplement and/or clarify certain information in relation to the Placement in this announcement.

The Conversion Shares will be issued pursuant to the General Mandate, subject to the limit of up to 166,814,639 Shares (representing 20% of the issued share capital of the Company on the date on which the General Mandate was granted). As at the date of this announcement, except for the proposed top up placing of the Company, the General Mandate has not been utilised. The Conversion Shares will utilise, based on the initial Conversion Price, approximately 76,666,666 Shares under the General Mandate.

The Company has undertaken in the PSAs that for so long as any Bond remains outstanding, the Company shall not conduct any corporate action that may result in the Conversion Price being adjusted to an extent where the then maximum number of Shares which may fall to be issued upon the exercise of the conversion rights would exceed the maximum number of Shares that the Board of Directors of the Company may issue under the remainder from time to time of the General Mandate.

The Company will adopt guidelines and/or internal procedure in monitoring the number of Shares to be issued pursuant to the Conditions in terms of adjustment of Conversion Price. The Company would consider the effect of any corporate action that may result in an adjustment to the Conversion Price and refrain from taking such action that may cause the maximum number of Shares fall to be issued being in excess of the maximum number of Shares issuable by the Director under the remainder from time to time of the General Mandate.

The Company would like to make the following clarifications about the Announcement:

- I. On page 2 and page 14 under the section headed “CONVERSION PRICE AND CONVERSION SHARES” of the Announcement, the Company would like to clarify that:

The initial Conversion Price of HK\$3.00 represents:

- (i) a premium of approximately 20% instead of 16.7% over the last closing price of HK\$2.5 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 14.9% instead of 13% over the average closing price of HK\$2.61 per Share as quoted on the Stock Exchange for the five Trading Days up to and including the Last Trading Day.

- II. On page 9 under the section headed “PRINCIPAL TERMS OF THE BONDS” of the Announcement, the Company would like to clarify that:

The initial Conversion Price of HK\$3.00 represents:

- (i) a premium of approximately 20% instead of 16.7% over the last closing price of HK\$2.5 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 14.9% instead of 13% over the average closing price of HK\$2.61 per Share as quoted on the Stock Exchange for the five Trading Days up to and including the Last Trading Day; and
- (iii) a premium of approximately 13.3% instead of 11.7% over the average closing price of HK\$2.648 per Share as quoted on the Stock Exchange for the ten Trading Days up to and including the Last Trading Day.

- III. On page 15 under the section headed “EFFECTS ON SHAREHOLDING STRUCTURE” of the Announcement, the Company would like to clarify that:

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$3.00 per Share and no further issue of Shares, the Bonds will be convertible into approximately 76,666,666 Shares, representing approximately 9.19% instead of 9.35% of the issued share capital of the Company as at the date of this announcement and approximately 8.42% instead of 8.55% of the issued share capital of the Company as at the date of this announcement as enlarged by the issue of the Conversion Shares upon full conversion of the Bonds.

Save as disclosed herein, all other contents of the Announcement remain unchanged.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company and the bonds (Codes: 5790, 5292 and 5372) issued by the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 10 October 2018 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company and the bonds (Codes: 5790, 5292 and 5372) issued by the Company on the Stock Exchange with effect from 9:00 a.m. on 12 October 2018.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“AGM”	the annual general meeting of the Company held on 4 June 2018;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for securities dealings;
“Company”	China Singyes Solar Technologies Holdings Limited (中國興業太陽能技術控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0750);
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	director(s) of the Company;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of PRC;

“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (has the meaning ascribed to it in the Listing Rules);
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange;
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates (including the Placing Agent itself) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing and Subscription Agreement;
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placees pursuant to the Placing and Subscription Agreement;
“Placing Agent”	SBI China Capital Financial Services Limited, a corporation licensed to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing and Subscription Agreement”	the conditional agreement entered into among the Subscriber, the Company and the Placing Agent dated 10 October 2018 in relation to the Placing and the Subscription, as amended from time to time;
“Placing Completion Date”	such date as may be agreed between the Subscriber and the Placing Agent;
“Placing Price”	HK\$2.2 per Placing Share;
“Placing Share(s)”	up to 17,800,000 new Shares to be placed pursuant to the Placing and Subscription Agreement;

“PRC”	the People’s Republic of China;
“SFC”	the Securities and Futures Commission;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Strong Eagle Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, the controlling shareholder of the Company, and is owned by Mr. Liu Hongwei (the chairman of the Company and an executive Director), Mr. Sun Jinli, Mr. Xie Wen (an executive Director), Mr. Xiong Shi (an Executive Director) and Mr. Zhuo Jianming (an non-executive Director), as to 53%, 15%, 14%, 9% and 9% respectively;
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price pursuant to the Placing and Subscription Agreement;
“Subscription Shares”	up to 17,800,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Placing and Subscription Agreement;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“US\$”	the United States dollars, the lawful currency of the United States of America;

“0%”

per cent.

“2018 Notes”

US\$160,000,000 6.75% notes due 2018 (ISIN: XS1700800417)
issued on 18 October 2017

By order of the Board

China Singyes Solar Technologies Holdings Limited

Liu Hongwei

Chairman

Hong Kong, 12 October 2018

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