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綠能國際

SINOGREEN ENERGY INTERNATIONAL GROUP LIMITED

中國綠能國際集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

COMPLETION OF THE SUBSCRIPTIONS

Reference is made to the joint announcement of Sinogreen Energy International Group Limited (the “**Company**”) and Reach Luck International Limited (the “**Offeror**”) dated 25 July 2014 and the circular of the Company dated 18 August 2014 (the “**Circular**”) in relation to, among other things, the Capital Reorganisation and the Subscriptions. Capitalised terms used herein have the same meanings as defined in the Circular unless otherwise specified.

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that all conditions precedent to the Subscriptions have been fulfilled and completion of the Subscriptions has taken place on 19 September 2014. Pursuant to the terms and conditions of the Subscription Agreement, an aggregate of 325,000,000 New Shares were issued and allotted to the Subscribers at the Subscription Price of HK\$0.35 per Subscription Share, of which 295,000,000 New Shares were subscribed by the Offeror at the total consideration of HK\$103,250,000; and the Convertible Notes in the principal amount of HK\$55,650,000 were issued to the Offeror.

The net proceeds from the Subscriptions were approximately HK\$164.4 million.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) immediately before completion of the Subscriptions; (ii) upon completion of the Subscriptions and assuming no conversion of the Convertible Notes; and (iii) upon completion of the Subscriptions and assuming the conversion rights attaching to the Convertible Notes are exercised in full at the initial Conversion Price:

	(i) Immediately before completion of the Subscriptions		(ii) Upon completion of the Subscriptions (assuming no conversion of the Convertible Notes)		(iii) Upon completion of the Subscriptions (assuming the conversion rights attaching to the Convertible Notes are exercised in full at the initial Conversion Price) (Note 5)	
	<i>Number of New Shares</i>		<i>Number of New Shares</i>		<i>Number of New Shares</i>	
		<i>%</i>		<i>%</i>		<i>%</i>
The Offeror	–	–	295,000,000	59.77	454,000,000	69.57
Creative Cosmo (Note 3)	–	–	23,500,000	4.76	23,500,000	3.60
New Elect (Note 4)			6,500,000	1.32	6,500,000	1.00
The Offeror, Dr. Lam and parties acting in concert with any of them	–	–	325,000,000	65.85	484,000,000	74.17
Mega Start Limited (Note 1)	49,693,600	29.48	49,693,600	10.07	49,693,600	7.62
Fount Holdings Limited (Note 2)	18,188,800	10.79	18,188,800	3.69	18,188,800	2.79
Other Shareholders	100,682,400	59.73	100,682,400	20.39	100,682,400	15.42
Total	168,564,800	100	493,564,800	100	652,564,800	100
The Public Shareholders	100,682,400	59.73	130,682,400	26.47	130,682,400	20.02

Notes:

1. The entire issued share capital of Mega Start Limited is wholly and beneficially owned by Mr. Chau Chit, an executive Director.
2. The entire issued share capital of Fount Holdings Limited is wholly and beneficially owned by Mr. Tang Hao, an executive Director.
3. The entire issued share capital of Creative Cosmo is wholly and beneficially owned by Mr. Tse On Kin (“**Mr. Tse**”), who is an Independent Third Party. Given that Mr. Tse is independent of each of the Offeror and Dr. Lam, the interests of Creative Cosmo in the New Shares shall be included in the public shareholding.
4. Mr. Hung Ching Fung (“**Mr. Hung**”) is the ultimate beneficial owner of New Elect and is the nephew-in-law of Dr. Lam. Pursuant to the Listing Rules, he is not regarded as a close associate of Dr. Lam. Accordingly, the interests of New Elect in the New Shares upon completion of the Subscriptions shall be included in the public shareholding. As at the date of this announcement, the Offeror has indicated an intention to nominate Mr. Hung as a Director following the despatch of the composite offer document to the Shareholders with respect to the Share Offer (as defined below). Upon the appointment of Mr. Hung as a Director becoming effective, the interests of New Elect in the New Shares would not be included in the public shareholding and the issued share capital of the Company to be held by public Shareholders will be decreased from 26.47% to 25.15% assuming no further New Shares will be issued or repurchased between the date of this announcement and the effective date of the appointment of Mr. Hung as a Director.
5. According to the terms and conditions of the Convertible Notes, the conversion rights shall not be exercised by the holder of the Convertible Notes, or if exercised by virtue of a conversion notice having been given, the Company shall not be obliged to issue any Conversion Shares but may treat that conversion notice as invalid, if it comes to the notice of the Company that immediately following such conversion: (a) the Company will be unable to meet the public float requirement under the Listing Rules; or (b) a mandatory general offer obligation under the Takeovers Code will be triggered on the part of the holder of the Convertible Notes together with the parties acting in concert with it.

Following completion of the Subscriptions, the Offeror, Dr. Lam and parties acting in concert with any of them together became interested in an aggregate of 325,000,000 New Shares, representing approximately 65.85% of the entire issued share capital of the Company as at the date of this announcement. In addition, the Convertible Notes confer the right to the Offeror, being the holder of the Convertible Notes, to subscribe for a maximum of 159,000,000 New Shares at the initial Conversion Price.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general cash offer for all the Offer Shares (the “**Share Offer**”). Fortune (HK) Securities Limited will, on behalf of the Offeror, make the Share Offer at the offer price of HK\$0.35 per Offer Share. The offer price is equal to the Subscription Price paid by the Offeror for the Subscription Shares and the initial Conversion Price under the Convertible Notes. The composite offer document containing details of the Share Offer is expected to be despatched by the Offeror and the Company to the Shareholders on or before 26 September 2014.

By Order of the Board
Sinogreen Energy International Group Limited
Chau Chit
Chairman

Hong Kong, 19 September 2014

As at the date of this announcement, the Board consists of two executive Directors, Mr. Chau Chit and Mr. Tang Hao; and three independent non-executive Directors, Mr. Lum Pak Sum, Mr. Wong Wai Kwan and Ms. Zhou Jianhong.

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