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HANERGY THIN FILM POWER GROUP LIMITED

漢能薄膜發電集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 566)

1200 MW BIPV PRODUCTION LINE EQUIPMENT SALES CONTRACT AND ENTERING INTO SUBSCRIPTION AGREEMENT UNDER GENERAL MANDATE

THE SUBSCRIPTION

The Board is pleased to announce that on 30 March 2015, 寶塔石化集團有限公司 (Baota Petrochemical Group Co., Ltd.*) (the “**Subscriber**”) and Hanergy Thin Film Power Group Limited (the “**Company**”), have entered into the Subscription Agreement pursuant to which the Subscriber (who is independent of and not connected with the Company and its connected persons) will subscribe for, and the Company will allot and issue to the Subscriber, the Subscription Shares at the Subscription Price.

The Subscription Shares will be issued under the General Mandate and will rank pari passu among themselves and with all of the Shares in issue at Completion.

Assuming the Company at its discretion issues and allots the maximum of 3,000,000,000 new shares to the Subscriber, the Subscription Shares represent approximately 7.20% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.72% of the enlarged issued share capital of the Company immediately after the Completion.

The Completion is subject to fulfillment of the Conditions Precedent. Accordingly, the Subscription may or may not proceed. The Company will make further announcement(s) when the number of Subscription Shares to be allotted and issued pursuant to this Subscription Agreement is confirmed. **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

INTRODUCTION

The Board is pleased to announce that on 30 March 2015, 寶塔石化集團有限公司 (Baota Petrochemical Group Co., Ltd.*) (the “**Subscriber**”) and Hanergy Thin Film Power Group Limited

* *For identification purposes only*

(the “**Company**”), have entered into the Subscription Agreement, pursuant to which the Subscriber (who is independent of and not connected with the Company and its connected persons) will subscribe for, and the Company will allot and issue to the Subscriber, the Subscription Shares at the Subscription Price.

On 30 March 2015, Fujian Apollo, an indirect wholly-owned subsidiary of the Company, entered into a Sales Contract and a Service Contract with 寶塔投資控股有限公司 (Baota Investment Holding Company Limited*) (the “**Equipment Purchaser**”), whereby Fujian Apollo agrees to sell and the Equipment Purchaser agrees to purchase certain production line equipment for Building Integrated Photovoltaic Business (BIPV) at a total capacity of 1200MW at a total price of USD396,000,000, and to provide technical services with respect to this production line equipment at total service fee of USD924,000,000. The aggregate consideration payable by the Equipment Purchaser under the Sales Contract and the Service Contract will be USD1,320,000,000 in total.

The Company and the Directors are of the view that the transactions contemplated under the Sales Contract and the Service Contract are of a revenue in nature in the ordinary and usual course of business of the Group.

To the best knowledge of the Company, as of the date of this announcement, the Subscriber holds 73.43% interest in Equipment Purchaser, while the remaining 26.57% interest is held by other independent third party investors. The Subscriber and the Equipment Purchaser are both independent of and not connected with the Company and its connected persons.

As part of the commercial arrangement, the Company also entered into the Subscription Agreement with the Subscriber with a view to incentivize the Subscriber to establish a long-term business relationship with the Group and the Equipment Purchaser.

SUBSCRIPTION AGREEMENT

Date of the Subscription Agreement

30 March 2015

Parties

- (1) The Company as issuer
- (2) The Subscriber as subscriber

* *For identification purposes only*

The Subscription

Pursuant to the Subscription Agreement, the Subscriber (who is independent of and not connected with the Company and its connected persons) will subscribe for and the Company will allot and issue to the Subscriber not less than 300,000,000 new Shares and not more than 3,000,000,000 new Shares at the Subscription Price of HK\$5.38 per Subscription Share.

The aggregate nominal value of the new Shares to be issued to the Subscriber is not less than HK\$750,000 (assuming Subscription of 300,000,000 Shares) and not more than HK\$7,500,000 (assuming Subscription of 3,000,000,000 Shares).

The Subscription Shares

Assuming the Company at its discretion issues and allots the maximum of 3,000,000,000 new Shares to the Subscriber, such new Shares to be allotted and issued under the Subscription represent approximately 7.20% of the existing issued share capital of the Company as at the date of this announcement, and approximately 6.72% of the enlarged issued share capital of the Company immediately after the Completion. The Subscription Shares will rank pari passu among themselves and with all of the Shares in issue at Completion.

The Subscription Shares will be issued under the General Mandate pursuant to the resolutions of the Shareholders passed at the Company's annual general meeting held on 15 May 2014. Under the General Mandate, the Board was authorized to allot and issue up to 5,723,729,833 new Shares. Since the date of the said annual general meeting of the Company, except 1,500,000,000 new Shares to be issued to 新華聯控股有限公司 (Macrolink New Resources Technology Limited*) as announced on 27 February 2015 and a minimum of 110,000,000 Shares and up to a maximum of 1,100,000,000 Shares to be issued to 內蒙古滿世投資集團有限公司 (Inner Mongolia Manshi Investment Group Company Limited*) as announced on 30 March 2015, no new Share has been issued under the General Mandate.

The Subscription Shares will be issued under the General Mandate. Therefore, the issue of the Subscription Shares will not be subject to the approval of the Shareholders.

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Conditions of the Subscription

Pursuant to the Subscription Agreement, Completion is conditional upon the fulfillment (or waiver) of the following conditions:

- (a) the Company having obtained the approval from the Board in relation to the Subscription Agreement, the Sales Contract and the transactions contemplated thereunder;
- (b) the Subscriber having obtained the approval from the board of directors of the Subscriber in relation to the Subscription Agreement and the transactions contemplated thereunder;
- (c) the Subscriber being satisfied with the result of the due diligence review on the basic information and financial condition of the Company;
- (d) the Company having complied with all applicable announcement, circular and other requirements under the Listing Rules in relation to the Subscription Agreement, the Sales Contract and the transactions contemplated thereunder and all applicable procedures and regulations under the Listing Rule;
- (e) the Company having been granted the permission from the Listing Committee of the Stock Exchange to list and deal in all the new Shares to be issued pursuant to the Subscription Agreement;
- (f) (if necessary) the Company having obtained the approval and consent of the Bermuda Monetary Authority to issue the Subscription Shares;
- (g) Fujian Apollo and the Equipment Purchaser having entered into the Sales Contract and all conditions precedents under such Sales Contract having fulfilled and the Equipment Purchaser accumulatively having settled 80% of the total consideration under such Sales Contract; and
- (h) (if required by the applicable laws or regulations in the PRC) the Subscriber having obtained the approval from all the relevant government authorities in the PRC in relation to the entering into and performance of the Subscription Agreement.

The Conditions Precedent (a), (b), (d), (e), (f) and (h) above shall not be waived by any party whilst Condition Precedent (c) may be waived at the absolute discretion of the Subscriber and Condition Precedent (g) may be waived at the absolute discretion of the Company.

Each of the Company and the Subscriber shall use its best endeavours to procure the completion, performance and fulfillment of the Conditions Precedent as soon as practicable and no later than the Long Stop Date.

In the event that any of the Conditions Precedent above shall not have been satisfied (or waived) on or before the Long Stop Date, the Subscription Agreement shall terminate and be of no further effect and the relevant parties shall have no claim against the others, save and except for any antecedent breaches.

Subscription Price

The Subscription Price of HK\$5.38 represents (i) a discount of approximately 19.94% to the closing price of HK\$6.72 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and (ii) a discount of approximately 18.73% to the average closing price of HK\$6.62 per Share as quoted on the Stock Exchange the last five trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the latest market price of the Shares.

The aggregate Subscription Price of not less than HK\$1,614,000,000 (assuming Subscription of 300,000,000 Shares) and not more than HK\$16,140,000,000 (assuming Subscription of 3,000,000,000 Shares) shall be payable in cash by Subscriber by way of bank transfer or cashier order(s) on or before the date of the Completion.

Completion

Completion shall take place on the Completion Date. At Completion, the Subscriber shall produce documentary evidence that it has transferred to the Company the aggregate Subscription Price of not less than HK\$1,614,000,000 (assuming Subscription of 300,000,000 Shares) and not more than HK\$16,140,000,000 (assuming Subscription of 3,000,000,000 Shares) and the Equipment Purchaser has paid to Fujian Apollo and settled 80% of the total consideration under such Sales Contract.

APPLICATION FOR LISTING

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

RESTRICTIONS ON TRANSFER OR DISPOSAL

Pursuant to the Subscription Agreement, unless with the written consent of the Company, the Subscriber shall not transfer any of its rights and obligations under the Subscription Agreement or in any way dispose or pledge any of its rights under the Subscription Agreement to any third party.

EFFECTS OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries with the relevant Shareholders and based on publicly available information, the changes in the shareholding structure of the Company as a result of the Subscription are illustrated in the table below (assuming that there are no changes to the shareholding in the Company, other than as a result of the Subscription):

	As at the date of this announcement		Immediately after the Completion assuming Subscription of 300,000,000 Shares		Immediately after the Completion assuming full Subscription of 3,000,000,000 Shares	
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding
Hanergy Holding and its subsidiaries						
Hanergy Holding	7,810,000,000	18.75%	7,810,000,000	18.61%	7,810,000,000	17.49%
Hanergy Investment Limited	14,617,515,584	35.09%	14,617,515,584	34.84%	14,617,515,584	32.73%
Hanergy Option Limited	2,932,887,603	7.04%	2,932,887,603	6.99%	2,932,887,603	6.57%
GL Wind Farm Investment Limited	1,973,684,104	4.74%	1,973,684,104	4.70%	1,973,684,104	4.42%
China Genco Investment Limited	1,917,937,219	4.60%	1,917,937,219	4.57%	1,917,937,219	4.29%
漢能光伏科技有限公司 (Hanergy Solar Hi-tech Limited*)	1,200,000,000	2.88%	1,200,000,000	2.86%	1,200,000,000	2.69%
Sub-total	30,452,024,510	73.10%	30,452,024,510	72.57%	30,452,024,510	68.19%
Subscriber	—	—	300,000,000	0.72%	3,000,000,000	6.72%
Other public Shareholders	11,205,829,948	26.90%	11,205,829,948	26.71%	11,205,829,948	25.09%
TOTAL:	41,657,854,458	100%	41,957,854,458	100%	44,657,854,458	100%

Note: (1) For the avoidance of doubt, the above shareholding structure does not include (1) 1,500,000,000 Shares to be allotted and issued pursuant to the subscription agreement entered into between the Company and 新華聯控股有限公司 (Macrolink New Resources Holding Company Limited*) as announced on 27 February 2015 and (2) a minimum of 110,000,000 Shares and up to a maximum of 1,100,000,000 Shares to be allotted and issued pursuant to the subscription agreement entered into between and 內蒙古滿世投資集團有限公司 (Inner Mongolia Manshi Investment Group Company Limited*) as announced on 30 March 2015.

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- (2) The above shareholding structure includes all the Shares allotted and issued on or before 28 February 2015 pursuant to the exercise of options by the grantees under the Company's share option scheme adopted in August 2007 (the "Scheme") and it does not include the additional number of Shares so allotted and issued thereafter pursuant to the Scheme as the month-end figure for March 2015 is not available on the date of this announcement.

REASONS FOR THE SUBSCRIPTION

On 30 March 2015, Fujian Apollo, a wholly-owned subsidiary of the Company, entered into a Sales Contract and a Service Contract with Equipment Purchaser whereby Fujian Apollo agrees to sell and the Equipment Purchaser agrees to purchase certain production line equipment for Building Integrated Photovoltaic Business (BIPV) at a total capacity of 1200MW with a total price of USD396,000,000, and to provide technical services with respect to this production line equipment for total service fees of USD924,000,000. The aggregate amount of Sales Contract and Service Contract will be USD1,320,000,000. The Board believe that the Subscription, as part of the commercial arrangement to the Sales Contract, shall incentivize the Subscriber to establish a long-term business relationship with the Group and the Equipment Purchaser.

The Group is a global, technologically advanced thin-film photovoltaics enterprise. Since entering the thin film power generation industry in 2009, the Group has devoted into design and manufacture of large-scale thin film power generation turnkey line business. The entering into the Sales Contract and the Service Contract between Fujian Apollo and the Equipment Purchaser will bring in substantial revenue for the Group, and the Subscription will encourage the Subscriber (and to procure the Equipment Purchaser) to establish a long-term business relationship with the Group and become a long-term partner of the Group.

As none of the Directors has any material interest in the Subscription Agreement, the Sales Contract and the Service Contract, no Director was required to abstain from voting on the board resolutions passed in connection with this announcement.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS OF THE COMPANY

Set out below are the particulars of the fund raising activities by the Company in the past 12 month immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
27 February 2015	Issue of subscription rights for subscription of 1,500,000,000 Shares	HK\$5,460,000,000	General corporate and working capital of the Group and for future investment and development of the Company	Not applicable. The subscription is to be completed after all conditions precedent are fulfilled
30 March 2015	Issue of subscription rights for subscription of a minimum of 110,000,000 Shares and up to a maximum of 1,100,000,000 Shares	HK\$591,800,000 to HK\$5,918,000,000	General corporate and working capital of the Group and for future investment and development of the Company	Not applicable. The subscription is to be completed after all conditions precedent are fulfilled

Save as disclosed above, the Company has not conducted any fund raising activities by way of issuing equity securities in the past 12 month immediately preceding the date of this announcement.

USE OF PROCEEDS

The net proceeds of the Subscription will be not less than approximately HK\$1,614,000,000 (assuming Subscription of 300,000,000 Shares) and not more than approximately HK\$16,140,000,000 (assuming Subscription of 3,000,000,000 Shares), representing a net subscription price of approximately HK\$5.38 per Subscription Share. The Company intends to use the net proceeds of the Subscription for the general corporate and working capital of the Group and for future investment and development of the Company when opportunities arise.

INFORMATION ON THE SUBSCRIBER

The Subscriber is principally engaged in the business of petrol refining and petrochemical industry with petro refineries and production plants in Ningxia, Chuhai, Xinjiang and Inner Mongolia. Based on the information available to the Company, Baota Petrochemical Group comprises of over 100 subsidiaries and associates with a group staff of approximately 30,000 persons, a sales revenue amounted to approximately RMB40 billion, and total assets of RMB50 billion in the year of 2014. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

GENERAL

The Group is principally engaged in the manufacture of equipment and turnkey production lines for the manufacture of thin-film solar photovoltaic modules. The Group is also venturing into the downstream solar power business worldwide.

The Completion is subject to fulfillment of the Conditions Precedent. Accordingly, the Subscription may or may not proceed. The Company will make further announcement(s) when the number of Subscription Shares to be allotted and issued pursuant to this Subscription Agreement is confirmed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day”	any day other than a Saturday or Sunday or public holiday in the PRC and/or Hong Kong
“Company”	Hanergy Thin Film Power Group Limited (漢能薄膜發電集團有限公司), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	the completion of the Subscription

“Completion Date”	Any Business Day as agreed between the Company and Subscriber within 30 Business Days after the date upon which the last of the Conditions Precedent is satisfied in full or waived (as the case may be), or such other date as the relevant parties may mutually agree in writing
“Conditions Precedent”	the conditions precedents set out under the paragraph “Conditions of the Subscription” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Equipment Purchaser”	寶塔投資控股有限公司, (Baota Investment Holding Company Limited*) a company established under the laws of the PRC
“Fujian Apollo”	福建鉅陽精工設備有限公司 (Apollo Precision (Fujian) Limited*), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“General Mandate”	the general mandate to allot, issue and deal with a maximum of 5,723,729,833 new Shares granted by the Shareholders to the Directors at the annual general meeting of the Company held on 15 May 2014
“Group”	the Company and its subsidiaries
“Hanergy Holding”	漢能控股集團有限公司(Hanergy Holding Group Limited*), a company established under the laws of the PRC and the controlling Shareholder of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 November 2015 (or such later date six months thereafter as may be agreed between the parties to the Subscription Agreement)
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong
“Sales Contract”	the sales contract dated 30 March 2015 in relation to the supply of the certain production line equipment for Building Integrated Photovoltaic Business (BIPV) at a total capacity of 1200 MW to the Equipment Purchaser by Fujian Apollo

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“Service Contract”	the service contract dated 30 March 2015 in relation to the provision of technical services to the Equipment Purchaser by Fujian Apollo
“Share(s)”	ordinary share(s) of par value HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	寶塔石化集團有限公司, (Baota Petrochemical Group Co., Ltd.*), a company established under the laws of the PRC
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 30 March 2015 in relation to the Subscription
“Subscription Price”	HK\$5.38 per Subscription Share
“Subscription Shares”	a minimum of 300,000,000 new Shares and up to a maximum of 3,000,000,000 new Shares to be allotted and issued under the Subscription
“MW”	Megawatt

* *The Chinese names have been translated into English in this announcement for reference only.*

By order of the Board
Hanergy Thin Film Power Group Limited
Li Hejun
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the executive Directors are Mr. Li, Hejun (Chairman), Mr. Dai, Frank Mingfang (Deputy Chairman and Chief Executive Officer), Dr. Feng, Dianbo (Deputy Chairman), Mr. Liu, Min (Deputy Chairman), Mr. Chen, Li (Executive Vice-President), Dr. Lam, Yat Ming Eddie (Finance Director and Senior Vice-President) and Mr. Li, Guangmin (Financial Controller); and the independent non-executive Directors of the Company are Ms. Zhao, Lan, Mr. Wang, Tongbo, Professor Xu, Zheng and Dr. Wang, Wenjing.

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