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Blue Sky Power Holdings Limited
藍天威力控股有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: UQ7)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

金利豐證券
KINGSTON SECURITIES

On 29 May 2015 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 100,000,000 Placing Shares at the Placing Price of HK$0.43 per Placing Share to, as currently expected, not less than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 28 April 2014.

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, the maximum number of Placing Shares under the Placing represents (i) approximately 1.96% of the existing issued share capital of the Company of 5,100,736,605 Shares as at the date of this announcement; and (ii) approximately 1.92% 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 maximum number of Placing Shares under the Placing will be HK$5.5 million.

The Placing Price represents (i) a discount of approximately 10.42% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on the date of the Placing Agreement (i.e. 29 May 2015), (ii) a discount of approximately 11.70% over the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement; and (iii) a discount of approximately 11.70% over the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last ten trading days prior to the date of the Placing Agreement.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK$43 million and HK$41.5 million respectively. The net proceeds from the Placing are intended to be used for the expansion of natural gas business of the Group and as the general working capital of the Group.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

29 May 2015 (after trading hours)

Issuer

The Company

Placing Agent

Kingston Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 100,000,000 Placing Shares to, as currently expected, not less than six Placees. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its associate(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent and its associate(s) were not interested in any Share.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares to, as currently expected, not less than six Placees (who are independent professional, institutional or other investors), who and whose ultimate beneficial owner(s)are Independent Third Parties. If any of the Placees becomes a substantial shareholder (as defined under the Listing Rules) of the Company after the completion of the Placing, a further announcement will be made by the Company.

Number of 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, the maximum number of 100,000,000 Placing Shares under the Placing represent (i) approximately 1.96% of the existing issued share capital of the Company of 5,100,736,605 Shares as at the date of this announcement; and (ii) approximately 1.92% 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 maximum number of Placing Shares under the Placing will be HK$5.5 million.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price represents (i) a discount of approximately 10.42% to the closing price of HK$0.480 per Share as quoted on the Stock Exchange on the date of the Placing Agreement (i.e. 29 May 2015), (ii) a discount of approximately 11.70% over the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement; and (iii) a discount of approximately 11.70% over the average closing price of approximately HK$0.487 per Share as quoted on the Stock Exchange for the last ten trading days prior to the date of the Placing 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 between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders. Under the General Mandate, the Company is authorised to issue up to 498,134,740 Shares under the General Mandate, as adjusted after the subdivision of the Company's shares becoming effective on 15 October 2014. Up to the date of this announcement, 283,163,803 Shares have been issued under the General Mandate, and the listing of, and permission to deal in 68,527,917 Shares were obtained from the Stock Exchange, which are the Shares in relation to possible conversion of the outstanding convertible bonds issued on 17 October 2014 by the Company and to be issued under the General Mandate.

Application for listing of Placing Shares

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 Placing Shares.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

(i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in, all of the Placing Shares; and

(ii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provisions regarding force majeure events.

Completion of the Placing

Completion of the Placing, in any event, will take place within four Business Days after the fulfilment and/or waiver (in respect of condition (ii) above) of the conditions as set out in paragraph headed "Conditions of the Placing Agreement" above or such other date to be agreed between the Company and the Placing Agent in writing (the "**Completion Date**"). If the above conditions are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on 17 June 2015 or such later date to be agreed between the Company and the Placing Agent in writing, the Placing will be terminated and the Placing Agreement will not proceed and all obligations and liabilities of the parties under the Placing Agreement (other than the confidentiality provisions) will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events:

(a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

(c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Completion Date;

(a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or

(b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement; or

(c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, if repeated, the Placing Agent shall, in its absolute opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine (other than the confidentiality provisions) and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) sales and distribution of natural gas and other related products; (ii) sales of book products; and (iii) sales of specialised products.

Assuming that the Placing Shares are fully placed under the Placing:

(a) the gross proceeds from the Placing are estimated to be approximately HK$43 million; and

(b) the net proceeds, after deducting related placing commission, professional fees and all related expenses, are estimated to be approximately HK$41.5 million, which represents approximately HK$0.415 per Share.

The net proceeds from the Placing are intended to be used for the expansion of the natural gas business of the Group and as the general working capital of the Group.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise additional capital for the Group while broadening its Shareholders and capital base. It also signifies the confidence of the Placees in the potential of the Company and demonstrates their willingness to support the Company. Accordingly, the Directors are of the view that the Placing is in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
30 September 2014	Placing of convertible bonds	Approximately HK$48 million	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	Approximately HK$40.7 million was used for expansion of natural gas business of the Company and HK$7.3 million was used for general working capital
13 March 2015	Placing of new Shares	Approximately HK$63 million	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	Approximately HK$60.0 million was used for expansion of natural gas business of the Company and HK$3.0 million was used for general working capital

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing, assuming the Placing Shares are fully placed, is set out as below:

		At the date of this announcement and immediately before completion of the Placing		**Shareholding immediately after completion of the Placing**	
	Notes	*No. of shares*	*Approx. %*	*No. of shares*	*Approx. %*
Directors					
Cheng Ming Kit	*1*	613,169,000	12.02	613,169,000	11.79
Sze Chun Lee	*2*	198,288,480	3.89	198,288,480	3.81
Chung Oi Ling, Stella	*3*	206,340,000	4.05	206,340,000	3.97
Kwok Shek San	*4*	7,296,000	0.14	7,296,000	0.14
Public shareholders					
The Placees		–	–	100,000,000	1.92
Other public Shareholders		4,075,643,125	79.90	4,075,643,125	78.37
Total		5,100,736,605	100.00	5,200,736,605	100.00

Notes:

1. Mr. Cheng Ming Kit (an executive Director) holds 100% interest in Grand Powerful Group Limited and is deemed to be interested in 367,764,000 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 245,405,000 Shares.

2. Mr. Sze Chun Lee (an executive Director) holds 43.75% interest in China Print Power Limited and is deemed to be interested in 196,488,480 Shares held by China Print Power Limited. Mr. Sze Chun Lee personally holds 1,800,000 Shares.

3. Ms. Chung Oi Ling, Stella (a non-executive Director) holds 100% interest in Flame Capital Limited and is deemed to be interested in 206,340,000 Shares held by Flame Capital Limited.

4. Mr. Kwok Shek San is an executive Director and personally holds 7,296,000 Shares.

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 28 April 2014
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
"Company"	Blue Sky Power Holdings Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange and secondary listed on the Singapore Exchange Securities Trading Limited
"connected person(s)"	the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"General Mandate"	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 498,134,740 new Shares (as adjusted after the subdivision of the Company's shares becoming effective on 15 October 2014), being 20% of the shares then in issue of the 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 the People's Republic of China
"Independent Third Party(ies)"	third party(ies) who are not connected persons of the Company and independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates (as defined under as defined under the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placee(s)"	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement
"Placing"	the placing of up to 100,000,000 Placing Shares on a best effort basis pursuant to the terms of the Placing Agreement
"Placing Agent"	Kingston Securities Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and which is ultimately owned by Kingston Financial Group Limited, a company incorporated in Bermuda and the securities of which are listed on the Stock Exchange
"Placing Agreement"	the conditional placing agreement entered into between the Company and the Placing Agent dated 29 May 2015 in relation to the Placing
"Placing Price"	HK$0.43 per Placing Share
"Placing Share(s)"	up to 100,000,000 new Shares to be placed pursuant to the Placing Agreement
"Share(s)"	ordinary share(s) of HK$0.055 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By order of the Board
Blue Sky Power Holdings Limited
Cheng Ming Kit
Chairman

Hong Kong, 29 May 2015

As at the date of this announcement, the executive Directors are Mr. Cheng Ming Kit, Mr. Sze Chun Lee, Mr. Hung Tao, and Mr. Kwok Shek San; the non-executive Director is Ms. Chung Oi Ling, Stella; and the independent non-executive Directors are Mr. Lim Siang Kai, Mr. Wee Piew and Mr. Ma Arthur On-hing.