THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Blue Sky Power Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares of the Company.

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)

(1) DISCLOSEABLE TRANSACTION PROPOSED ACQUISITION OF INTEREST IN BEIJING GAS GROUP (TENG COUNTY) CO., LTD. (2) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BOND UNDER SPECIFIC MANDATE (3) APPOINTMENT OF DIRECTOR AND (4) NOTICE OF SGM

A notice convening the special general meeting of the Company to be held at Level 9, Central Building, 1–3 Pedder Street, Central, Hong Kong at 11:30 a.m. on Wednesday, 16 March 2016 is set out on pages 52 to 56 of this circular. The special general meeting is to be held to approve matters referred to in this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong shareholders) or the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (for Singapore shareholders). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

29 February 2016

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD

1. Introduction 6
2. The Proposed Acquisition 8
3. Proposed Subscription of New Shares and Convertible Bond Under Specific Mandate 17
4. Appointment of Director 47
5. The SGM 48
6. Voting by Poll 48
7. Board's Approval and Recommendation 50
8. Responsibility Statement 51
9. Additional Information 51

NOTICE OF THE SGM 52

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	has the meaning ascribed thereto in the Takeovers Code
"Acquisition Agreement"	the sale and purchase agreement dated 5 January 2016 entered into between the Company and the Vendor in respect of the Proposed Acquisition (as amended or varied from time to time by an agreement in writing duly executed by the parties to the agreement)
"Acquisition Conditions"	the conditions of the Proposed Acquisition
"Acquisition Consideration"	the consideration of the Proposed Acquisition, i.e., HK$152,000,000
"Announcement regarding the Discloseable Transaction"	an announcement dated 6 January 2016 published by the Company in relation to the discloseable transaction, proposed acquisition of interest in Beijing Gas Group (Teng County) Co., Ltd.
"Announcement regarding Subscription of New Shares and Convertible Bond"	an announcement dated 6 January 2016 published by the Company in relation to the subscription of new shares and convertible bond under specific mandate
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Beijing Gas", "Vendor"	Beijing Gas Group Co., Ltd. (北京市燃氣集團有限責任公司), a limited liability company established in the PRC
"Beijing Gas BVI"	Beijing Gas Co., Ltd. (北京燃氣有限公司), a company incorporated in the BVI and is wholly owned by the Vendor
"Beijing Gas HK"	Beijing Gas Co., Ltd. (北京燃氣有限公司), a company incorporated in Hong Kong and is wholly owned by Beijing Gas BVI
"Bermuda Companies Act"	the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time
"Board"	the board of Directors of the Company
"Bondholder(s)"	the holder(s) of the Convertible Bond
"Business Day"	any day (excluding a Saturday, a Sunday and a public holiday) on which banks are open for business in Hong Kong and the PRC
"BVI"	British Virgin Islands

"Bye-laws"	the Bye-laws of the Company, as amended from time to time
"CB Conditions"	the conditions of the subscription for the Convertible Bond
"CB Subscription Agreement"	the conditional subscription agreement dated 5 January 2016 entered into between the Company and the Beijing Gas relating to the subscription of the Convertible Bond by the Investor and the issue of the Convertible Bond by the Company
"CDP"	the Central Depository (Pte) Limited, a wholly-owned subsidiary of the Singapore Exchange Limited
"Closing"	completion of the Subscription and subscription for the Convertible Bond in accordance with the terms of the Share Subscription Agreement and the CB Subscription Agreement
"Company"	Blue Sky Power Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 6828) and secondary listed on the Singapore Exchange Securities Trading Limited (Stock Code: UQ7)
"Completion Date of the Proposed Acquisition"	the seventh Business Day following the date on which all of the Acquisition Conditions have been satisfied or such later date as the Parties may agree in writing
"Consideration Shares"	a total of 337,777,778 new Shares of the Company (at an issue price of HK$0.45 per Share) to be issued to the Vendor upon completion of the Proposed Acquisition
"Conversion Period"	any time after the Issue Date up to the close of business on the Maturity Date or, if notice requiring redemption has been given by a bondholder, then up to the close of business on the day prior to the giving of such notice
"Conversion Price"	price per Share at which Shares will be issued upon exercise of the Conversion Rights, such price initially being HK$0.45 per Share, but subject to adjustment in accordance with the terms of the bond instrument
"Conversion Right(s)"	the rights of the Bondholder to convert the whole or any part of the outstanding principal amount of the Convertible Bond held by it into Shares

"Conversion Share(s)"	the Share(s) which may fall to be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bond
"Convertible Bond"	each convertible bond issued pursuant to the CB Subscription Agreement which shall be in the principal amount stated on the certificate for such Convertible Bond, and where the context so requires, the Convertible Bond
"Depositor", "Depository", "Depository Register"	has the meaning ascribed to it in section 81 SF of the Securities and Futures Act (Cap. 289) of Singapore
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Interest Payment Date"	every six months in arrears on 30 June and 31 December in each year commencing from 30 June 2016
"Investor"	Beijing Gas or its designated wholly-owned subsidiary
"Issue Date"	the date of the instrument of the Convertible Bond
"Issue Price"	the price equivalent to 100% of the aggregate principal amount of the Convertible Bond at which the Convertible Bond shall be subscribed
"Last Trading Day"	4 January 2016, being the last trading day preceding the signing of the Acquisition Agreement or, as the case may be, the Share Subscription Agreement and the CB Subscription Agreement
"Latest Practicable Date"	24 February 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"Listing Committee"	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2016, or such other date as the Parties to the Acquisition Agreement may agree in writing
"LNG"	liquefied natural gas

"Maturity Date"	Interest Payment Date falling on or nearest to the third anniversary of the Issue Date
"PRC"	the People's Republic of China excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China for the purpose of this circular
"Project Company"	Beijing Gas Group (Teng County) Co., Ltd. (北京燃氣集團藤縣有限公司), a company established in the PRC
"Proposed Acquisition"	the proposed acquisition of the entire issued share capital of the Target Company (which will, after completion of the Restructuring, hold 51% equity interest in the Project Company through the Target Company HK) pursuant to the terms and conditions of the Acquisition Agreement
"Relevant Indebtedness"	any present or future indebtedness in the form of, or represented by debentures, loan stock, bonds, notes, bear participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market during the Conversion Period (whether or not initially distributed by way of private placement)
"Restructuring"	the shareholding restructuring of the Target Group to be undertaken by the Vendor to the effect that the Target Company will, upon the completion of the Restructuring, hold 51% of the equity interest of the Project Company through the Target Company HK, details of which are set out in the section headed "Restructuring of the Target Group" of this circular
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to approve, among other things, the Proposed Acquisition, the Share Subscription Agreement and the CB Subscription Agreement and the transactions contemplated thereunder respectively, including but not limited to the grant of the Specific Mandate(s)
"Share(s)"	the share(s) of HK$0.055 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)

"Share Subscription Agreement"	the agreement dated 5 January 2016 entered into between the Company and Beijing Gas in relation to the Subscription
"Specific Mandate(s)"	each of the specific mandates to be sought from the Shareholders at the SGM to authorise the Directors to allot and issue (i) the Consideration Shares pursuant to the Acquisition Agreement; (ii) the Subscription Shares pursuant to the Share Subscription Agreement; and (iii) the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares (including for the avoidance of doubt any additional Conversion Shares that may be allotted or issued as a result of adjustment(s) to the Conversion Price from time to time in accordance with the terms and conditions of the Convertible Bond) to the Investor or Bondholder upon exercise of the Conversion Rights
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of Shares pursuant to the Share Subscription Agreement
"Subscription Price"	the subscription price of HK$0.45 per Subscription Share
"Subscription Share(s)"	2,155,555,555 Shares to be subscribed by the Investor pursuant to the Share Subscription Agreement
"Takeovers Code"	The Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time
"Target Company"	a company to be incorporated in the BVI by Beijing Gas HK, and which, once incorporated, to be indirectly wholly owned by the Vendor
"Target Company HK"	a company to be incorporated in Hong Kong by the Target Company and which, once incorporated, to be wholly owned by the Target Company
"Target Group"	the Target Company and its subsidiaries
"%"	per cent.

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)

Executive Directors:
Cheng Ming Kit
Sze Chun Lee
Hung Tao
Kwok Shek San
Hu Xiaoming

Non-executive Director:
Chung Oi Ling, Stella

Independent Non-executive Directors:
Lim Siang Kai
Wee Piew
Ma Arthur On-hing

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Headquarters and principal place of business in Hong Kong:
Room 1411, 14/F
New World Tower I
16–18 Queen's Road Central
Central, Hong Kong

29 February 2016

To the Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE TRANSACTION PROPOSED ACQUISITION OF INTEREST IN BEIJING GAS GROUP (TENG COUNTY) CO., LTD. (2) SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BOND UNDER SPECIFIC MANDATE (3) APPOINTMENT OF DIRECTOR AND (4) NOTICE OF SGM

1. INTRODUCTION

Reference is made to the Announcement regarding the Discloseable Transaction. On 5 January 2016 (after market close), the Company and Beijing Gas entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire and Beijing Gas conditionally agreed to sell, the entire issued share capital of the Target Company at the

consideration of HK$152,000,000 which is to be satisfied by the issuance of the Consideration Shares (at the issue price of HK$0.45 per Share) under Specific Mandate. Further details of the Proposed Acquisition and the Acquisition Agreement are set out below in this circular.

As certain of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition are above 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement but exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

Reference is also made to the Announcement regarding Subscription of New Shares and Convertible Bond and the announcement regarding appointment of the proposed Director published by the Company on 29 February 2016. On 5 January 2016 (after market close), the Company entered into the Share Subscription Agreement with Beijing Gas. According to the terms and subject to the conditions of the Share Subscription Agreement, the Investor agreed to conditionally subscribe and pay for 2,155,555,555 fully paid Subscription Shares at the Subscription Price of HK$0.45 per Subscription Share. Further details of the Subscription and the Share Subscription Agreement, and the appointment of the proposed Director are set out below in this circular.

Further, on 5 January 2016 (after market close), the Company entered into the CB Subscription Agreement with Beijing Gas pursuant to which the Investor conditionally agreed to subscribe, and the Company conditionally agreed to issue the Convertible Bond in an aggregate principal amount of HK$350,000,000. Further details of the Convertible Bond and the CB Subscription Agreement are set out in this circular.

The transactions contemplated under the Acquisition Agreement is not inter-conditional to the transactions contemplated under each of the Share Subscription Agreement and the CB Subscription Agreement.

The Company will seek approval for, among other things, the Proposed Acquisition and the Specific Mandates to allot and issue (i) the Consideration Shares pursuant to the Acquisition Agreement; (ii) the Subscription Shares pursuant to the Share Subscription Agreement; (iii) the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares (including for the avoidance of doubt any additional Conversion Shares that may be allotted or issued as a result of adjustment(s) to the Conversion Price from time to time in accordance with the terms and conditions of the Convertible Bond) to the Investor or Bondholder upon exercise of the Conversion Rights, and the appointment of the proposed Director from the Shareholders at the SGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Proposed Acquisition and the issuance of the Consideration Shares pursuant to the Acquisition Agreement, the Subscription and the issuance of the Subscription Shares pursuant to the Share Subscription Agreement and the issuance of the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares to the Investor or Bondholder upon exercise of the Conversion Rights, and the appointment of the proposed Director. As such, no Shareholder is required to abstain from voting under the Listing Rules on the resolutions to be proposed at the SGM.

The purpose of this circular is to provide you with, among other things: further information on (i) the Proposed Acquisition and the issuance of the Consideration Shares pursuant to the Acquisition Agreement; (ii) the Subscription and the issuance of the Subscription Shares pursuant to the Share Subscription Agreement; (iii) the issuance of the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares to the Investor or Bondholder upon exercise of the Conversion Rights; (iv) appointment of the proposed Director; and (v) other information as required under the Listing Rules together with a notice of the SGM and a form of proxy.

2. THE PROPOSED ACQUISITION

On 5 January 2016 (after market close), the Company and Beijing Gas entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire, and Beijing Gas conditionally agreed to sell, the entire issued share capital of the Target Company, at the consideration of HK$152,000,000 which is to be satisfied by the issuance of the Consideration Shares (at the issue price of HK$0.45 per Share under Specific Mandate).

The Acquisition Agreement

Date: 5 January 2016

Parties:

(i) The Company (as the purchaser)

(ii) Beijing Gas (as the vendor)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, Beijing Gas and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons, Compact Move Limited, the proposed vendor as disclosed in the Company's announcement dated 9 December 2015, and Mr. Huang Liedan, the proposed vendor as disclosed in the Company's announcement dated 11 December 2015.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, 100% of the issued share capital of the Target Company for the purpose of acquiring the 51% interest of the Project Company.

Basis of determination of the Acquisition Consideration

Pursuant to the Acquisition Agreement, the Acquisition Consideration shall be HK$152,000,000, which is to be satisfied by the issuance of the Consideration Shares (at the issue price of HK$0.45 per Share) under the Specific Mandate upon completion of the Proposed Acquisition.

The issue price of HK$0.45 per Consideration Share represents:

(i) a discount of approximately 11.76% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on 4 January 2016, being the Last Trading Day;

(ii) a discount of approximately 11.76% to the average of the closing prices of HK$0.51 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 13.29% to the average of the closing prices of HK$0.519 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 143.24% to the net asset value attributable to Shareholders of the Company of approximately HK$0.185 per Share, calculated based on the Group's unaudited net asset of HK$1,131,566,000 as at 30 June 2015 and 6,113,609,768 Shares in issue as at the Latest Practicable Date.

The Acquisition Consideration and the issue price per Consideration Share were determined after arm's length negotiations between the Company and the Vendor, having regards to the prime opportunities for the Company to expand into the Guangxi market, in which the Company does not have any presence for the moment, the financial position and the prospects and potential of the business of the Target Group.

Although the Project Company only generated a turnover of approximately RMB4,234,000 (unaudited) for the period from 13 August 2014 to 31 December 2015, the Directors expect that the financial position will significantly improve and will bring strong cashflow to the Project Company following its commencement in supplying natural gas to its customers in the Teng County in late 2015. Moreover, in an effort to reduce heavy air pollution and carbon emission, the PRC Government has implemented various measures to encourage, among others, the use of natural gas as clean energy. The Project Company has been granted an exclusive operation right for 30 years from 2016 to invest in and operate in the city pipeline system to provide and distribute piped natural gas in the Teng County, which is a county of eastern Guangxi PRC and under the administration of Wuzhou city. With the exclusive right to invest in and operate in the city pipeline system for 30 years, the Project Company can dominate the piped gas market and enjoy the benefit thereof. The Directors believe that over the years the potential business of the Target Company will grow significantly when users in particular industrial users switch to the use of natural gas as energy fuels. Based on the above, the Directors consider that the Acquisition Consideration and the terms of the Acquisition Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The number of Consideration Shares (i.e. a total of 337,777,778 new Shares) to be allotted and issued to the Vendor is calculated by dividing HK$152,000,000 with the issue price per Consideration Share, rounded up to the nearest whole number. The issue price per Consideration Share is determined with reference to the prevailing market price of the Shares. The aggregate nominal value of the Consideration Shares is HK$18,577,777.79.

The Consideration Shares represent (i) approximately 5.52% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 5.23% of the enlarged issued share capital of the Company upon completion of the Proposed Acquisition.

The Consideration Shares shall rank pari passu in all respects with the Shares in issue on the date of allotment and issuance, including the rights to all dividends, distributions and other payments made or to be made for which the record date falls or after the date of such allotment and issuance.

Conditions precedent

Completion of the Proposed Acquisition is subject to the following conditions being satisfied and/or waived by the Vendor and the Company (as the case may be) on or before the Long Stop Date:

(a) All due diligence of the Target Group having been completed by the Company, and the outcome of the due diligence is to the reasonable satisfaction of the Company;

(b) The Restructuring having been completed;

(c) All necessary internal and external approvals, consents, filings and registrations on the part of the Vendor in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained by the Vendor;

(d) All necessary internal and external approvals, consents, filings and registrations on the part of the Company in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained by the Company;

(e) As at the date of the Acquisition Agreement and up to the Completion Date, the Vendor's and the Company's representation and warranties having remained true, accurate and complete, are not misleading and do not have any omission therein;

(f) Approval for the listing of, and permission to deal in, the Consideration Shares having been obtained from the Stock Exchange and such approval remains valid and effective;

(g) The transactions contemplated under the Acquisition Agreement (including the issuance and allotment of the Consideration Shares) and the Specific Mandate having been approved at the SGM and such approval and authorisation remains valid and effective;

(h) There having been no material adverse change on either party to the Acquisition Agreement up to the Completion Date; and

(i) There having no material breach of the Acquisition Agreement by either party to the Acquisition Agreement up to the Completion Date of the Proposed Acquisition.

The parties are entitled to waive all or any of the conditions above, apart from (a), (b), (c), (d), (f) and (g) above, by way of written notice to the other. None of the conditions has been fulfilled as at the Latest Practicable Date. As at the Latest Practicable Date, the Company does not intend to waive any of the said conditions.

If the above conditions precedent are not fulfilled (or waived, as the case maybe) on or before the Long Stop Date, the obligations of the Company and the Vendor under the Acquisition Agreement shall forthwith cease and terminate and neither the Company nor the Vendor shall have any claim against the other party, save for any antecedent breach pursuant to the Acquisition Agreement.

Completion

Subject to the fulfilment and/or waiver of the Acquisition Conditions as described above, completion shall take place on the Completion Date of the Proposed Acquisition at the place as agreed by the Company and the Vendor.

Upon completion of the Proposed Acquisition, the Target Company will become a direct wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

Undertakings by the Vendor

From the date of the Acquisition Agreement to the Completion Date of the Proposed Acquisition, unless prior written consent of the Company is obtained, the Vendor shall procure that the Target Group:

(a) shall not change the Target Group's principal business and shall procure the Target Group to carry on its principal business during the normal course of business;

(b) shall not change or amend the articles of association of any members of the Target Group, except from time to time in accordance with applicable laws;

(c) shall not announce, pay or make any dividend payments or other distributions;

(d) shall maintain the control (by over a majority) of the board of directors of the Project Company;

(e) shall not implement any mergers, acquisitions, restructuring, or sell all or substantially all of its assets, or agree, arrange or undertake to conduct the same (except the Restructuring);

(f) shall not set up joint ventures, new companies, or provide any loans, guarantees, mortgages or incur any other liabilities for third party(ies) (unless in the ordinary and usual course of business on normal commercial terms), or agree, arrange or undertake to conduct the same;

(g) shall not issue any equity securities (including but not limited to convertible bonds), or enter into any agreement, arrangement or undertaking to such effect.

Undertakings by the Company

From the date of the Acquisition Agreement to the Completion Date of the Proposed Acquisition, unless prior written consent of the Vendor is obtained, the Company:

(a) shall not change the Group's principal business and shall procure the Group to carry on its principal business during the normal course of business;

(b) shall not change or amend its Memorandum and Bye-laws, except from time to time in accordance with applicable laws;

(c) shall not announce, pay or make any dividend payments or other distributions;

(d) shall not appoint any additional or replacement directors to the Board from the date of the Acquisition Agreement to the Completion Date of the Proposed Acquisition, unless the appointment of additional or replacement directors shall be in compliance with the rules and regulations or the Listing Rules or nominated by the Vendor;

(e) shall not implement any mergers, acquisitions (except for the proposed acquisition of Zhejiang Bochen Energy Holding Co., Ltd. as disclosed in the Company's announcement dated 9 December 2015 and the proposed acquisition of Fox Smart Ltd. as disclosed in the Company's announcement dated 11 December 2015), restructuring, or sell all or substantially all of its assets, or agree, arrange or undertake to conduct the same;

(f) shall not set up joint ventures, new companies, or provide any loans, guarantees, mortgages or incur any other liabilities for third parties (unless in the ordinary and usual course of business on normal commercial terms), or agree, arrange or undertake to conduct the same;

(g) shall not issue any equity securities (including but not limited to convertible bonds), or enter into any agreement, arrangement or undertaking to such effect, other than the issue and allotment of the Consideration Shares to the Vendor pursuant to the Acquisition Agreement, and (1) the convertible bonds to be issued for the major transaction as specified in the Company's circular dated 2 January 2015; (2) issue of convertible bonds to Templeton Strategic Emerging Markets Fund IV, LDC of HK$15 million as specified in the Company's announcement dated 30 November 2015; (3) potential convertible bonds to be issued in relation to the proposed acquisition of Zhejiang Bochen Energy

Holding Co., Ltd. as disclosed in the Company's announcement dated 9 December 2015; (4) the consideration shares to be issued for the proposed acquisition of Fox Smart Ltd as disclosed in the Company's announcement dated 11 December 2015; and (5) any equity securities to be allotted and issued pursuant to the conversion of all the issued and outstanding convertible securities of the Company and under the existing share option scheme adopted by the Company; and

(h) shall not carry out any share consolidation, subdivision or reclassification of the shares of the Company, or to increase the Company's capital by its profits and reserves.

Information on the Target Group

The Target Group will consist of three members, namely, the Target Company, the Target Company HK and the Project Company.

The Target Company is to be incorporated in the BVI by Beijing Gas HK. Its principal business shall be investment holding. The Target Company, once incorporated, shall be indirectly wholly owned by the Vendor.

The Target Company HK is to be incorporated in Hong Kong by the Target Company. The Target Company HK, once incorporated, shall be wholly owned by the Target Company and shall hold 51% of the equity interest of the Project Company upon the completion of the Restructuring. Its principal business shall be investment holding.

The Project Company was established in the PRC in August 2014 with a registered share capital of RMB30,000,000. Its principal business is the distribution natural gas to the industrial parks, residential users and commercial users in the areas of Teng County (藤縣) of Guangxi Province in the PRC. As at the Latest Practicable Date, the Vendor directly holds a 51% equity interests in the Project Company.

To the best of the Directors' knowledge, information and belief and having made reasonable enquiries, as at the Latest Practicable Date, the existing shareholder holding minority interest of 49% interest of the Project Company and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

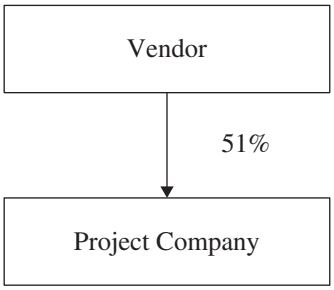
Restructuring of the Target Group

The Target Group will undergo the Restructuring in respect of which, among other things, Beijing Gas BVI and Beijing Gas HK will be interposed as the intermediate holding companies of the Target Group by the Vendor for the purpose of the Proposed Acquisition and completion of the Restructuring is one of the conditions precedent under the Acquisition Agreement.

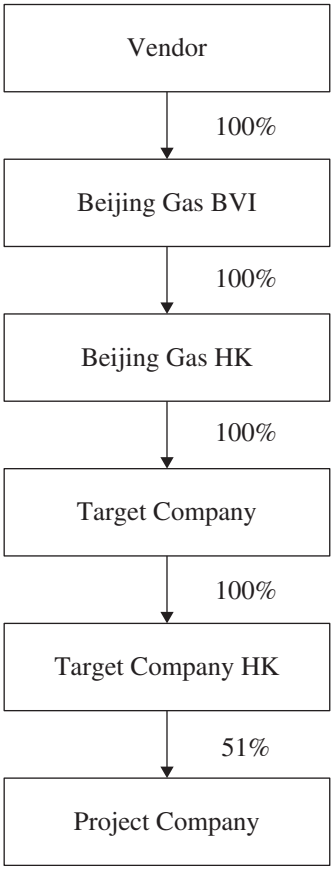
Upon completion of the Restructuring, the Target Company will hold 51% of the equity interest of the Project Company through Target Company HK.

The following charts set forth the simplified group structures of the Target Group immediately prior to, and subsequent to the completion of, the Restructuring:

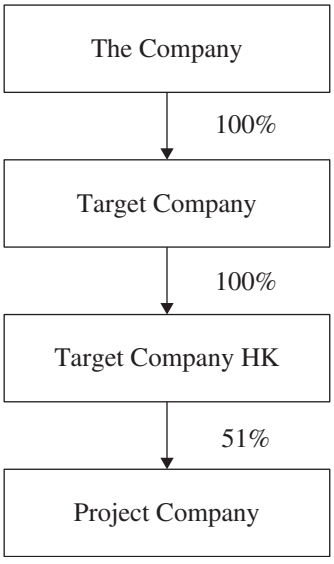
Shareholding Structure of the Target Croup immediately prior to the Restructuring



Shareholding Structure of the Target Group immediately after the completion of the Restructuring



Simplified Shareholding Structure of the Company (including the Target Group) upon Completion of the Proposed Acquisition



Set out below is certain financial information of the Project Company for the period from 13 August 2014 (the date of incorporation of the Project Company) to 31 December 2015:

	From 13 August 2014 to 31 December 2015 (Unaudited) *RMB'000*
Turnover	4,234
Profit before taxation	46
Profit after taxation	46

The unaudited net assets of the Project Company as at 31 December 2015 was approximately RMB29,562,000.

Upon completion of the Proposed Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group (including the Project Company) will be consolidated into the financial statements of the Group. Such accounting treatment was communicated with the Company's auditor with no disagreement.

Reasons for and Benefits of the Proposed Acquisition

As previously disclosed, the Company aims to further develop the natural gas business and expand the geographical coverage of its natural gas project in the PRC.

The Project Company has entered into the franchise operation agreement (特許經營協議) with the local government of Teng County, pursuant to which the Project Company is granted an exclusive operation right for 30 years commencing from year 2016 to invest in and operate the city pipeline system to provide and distribute piped natural gas in the Teng County. The target customers will be residential users, industrial enterprises or commercial entities within the areas of Teng County of Guangxi Province where there located a number of industrial parks with numerous industrial users switching to natural gas as energy fuels. The Project Company commenced supplying natural gas to its customers in the Teng County in late 2015 by utilizing liquefied natural gas as the gas source, since piped natural gas is not yet available in Teng County. The Project Company is planning the construction of further pipeline with an estimated capital expenditure of approximately RMB40 million, so that a reliable and stable gas source of piped gas will be provided by the Target Group to its customers. It is expected that the piped gas will officially commence the supply by the end of October 2016 and by then the piped gas supply will be increased considerably. Given the above, the Board considers it a prime opportunity for the Company to expand into the Guangxi market, in which the Company does not have any presence for the moment.

Effect on Shareholding Structure of the Company

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the issue and allotment of the Consideration Shares, assuming there are no other changes in the shareholding structure of the Company after the Latest Practicable Date and before completion of the Proposed Acquisition:

Shareholders		**As at the Latest Practicable Date**		**Immediately after the issue and allotment of the Consideration Shares**	
	Notes	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
Directors/Substantial Shareholders					
Cheng Ming Kit	1	952,195,256	15.58	952,195,256	14.76
Sze Chun Lee	2	173,288,480	2.83	173,288,480	2.69
Chung Oi Ling, Stella	3	206,340,000	3.38	206,340,000	3.20
Kwok Shek San	4	7,296,000	0.12	7,296,000	0.11
Hu Xiaoming	5	2,640,000	0.04	2,640,000	0.04
Vendor		—	—	337,777,778	5.23
		1,341,759,736	21.95	1,679,537,514	26.03
Public Shareholders		4,771,850,032	78.05	4,771,850,032	73.97
Total		6,113,609,768	100.00	6,451,387,546	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 903,190,256 Shares holed by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 49,005,000 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 171,488,480 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 be Flame Capital Limited.

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

5. Mr. Hu Xiaoming is an executive Director and personally holds 2,640,000 Shares.

Listing Rules Implications in respect of the Proposed Acquisition

As certain of the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition exceed 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement but exempt from shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that the issuance and allotment of the Consideration Shares pursuant to the Acquisition Agreement shall be by way of Specific Mandate, the Proposed Acquisition and the Specific Mandate shall be subject to obtaining the approval from Shareholders. The SGM will be convened for Shareholders to consider, and if thought fit, approve, among other things, the Proposed Acquisition and the grant of the Specific Mandate to issue and allot the Consideration Shares pursuant to the Acquisition Agreement.

3. PROPOSED SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BOND UNDER SPECIFIC MANDATE

On 5 January 2016 (after market close), the Company entered into the Share Subscription Agreement with Beijing Gas. According to the terms and subject to the conditions of the Share Subscription Agreement, the Investor agreed to conditionally subscribe and pay for 2,155,555,555 fully paid Subscription Shares at the Subscription Price of HK$0.45 per Subscription Share, i.e. a total subscription amount of HK$970,000,000.

On 5 January 2016 (after market close), the Company entered into the CB Subscription Agreement with the Beijing Gas pursuant to which the Investor conditionally agreed to subscribe, and the Company conditionally agreed to issue the Convertible Bond in an aggregate principal amount of HK$350,000,000.

Share Subscription Agreement

The principal terms of the Share Subscription Agreement are set out as follows:

Date

5 January 2016

Parties

(i) The Company, as the issuer of the Subscription Shares; and

(ii) Beijing Gas (Beijing Gas may, no later than three Business Days before Closing, nominate a wholly-owned subsidiary of Beijing Gas as the subscriber of the Subscription Shares).

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Beijing Gas, its wholly-owned subsidiary (which may be designated as the subscriber no later than three Business Days before Closing to complete the Subscription) and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and the connected persons (as defined under the Listing Rules) of the Company.

Subscription Shares

The aggregate of 2,155,555,555 Subscription Shares to be allotted and issued to the Investor pursuant to the Share Subscription Agreement represent approximately 35.26% of the total issued Shares as at the Latest Practicable Date; and approximately 26.07% of the total issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and before Closing). The aggregate nominal value of the Subscription Shares is HK$118,555,555.525.

Ranking of Subscription Shares

The Subscription Shares will rank pari passu in all respects and carry all rights similar to the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK$970,000,000 at HK$0.45 per Subscription Share represents:

(i) a discount of approximately 11.76% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on 4 January 2016, being the Last Trading Day;

(ii) a discount of approximately 11.76% to the average of the closing prices of HK$0.51 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 13.29% to the average of the closing prices of HK$0.519 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the Last Trading Day; and

(iv) a premium of approximately 143.24% to the net asset value attributable to Shareholders of the Company of approximately HK$0.185 per Share, calculated based on the Group's unaudited net asset of HK$1,131,566,000 as at 30 June 2015 and 6,113,609,768 Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and Beijing Gas, with reference to, among others, the recent share price performance of the Company during the period from the last 20 consecutive days up to and including the Last Trading Day with the liquidity in the trading of the Shares for the investors to sell or buy the Shares at the then prevailing market price. The Directors (including all the independent non-executive Directors) consider that the Subscription Price and the terms of the Share Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Specific Mandate to allot and issue the Subscription Shares

The Company will seek the approval of the Specific Mandate from the Shareholders at the SGM to allot and issue the Subscription Shares.

Conditions of Subscription

The obligations of the Investor to make the Subscription and of the Company to issue Subscription Shares are subject to the fulfillment of the following conditions:

(a) the listing and dealing of the Subscription Shares on the Stock Exchange being granted and approved by the Listing Committee of the Stock Exchange, and such approval remains effective;

(b) all necessary regulatory approvals, consents, filings and reports (if any) required for the placing (including the Subscription) having been obtained by the Company, and all of which remain effective;

(c) approval in relation to the placing (including the Subscription) and the Specific Mandate having been obtained by the Company from the Shareholders at the SGM;

(d) shareholders' approval having been obtained at the SGM to authorise the Board to appoint two directors nominated by the Investor (one as a non-executive director and co-chairman of the Board, and the other as an executive director), or if such shareholders' approval is not obtained at the SGM, the Board having appointed (by way of causal vacancy) two directors nominated by the Investor (one as a non-executive director and co-chairman of the Board, and the other as an executive director). These two directors' appointment shall take effect upon Closing and their term shall be three years and subject to retirement and re-election according to the Articles;

(e) the results of due diligence work with respect to the general status, financial performance and business operation of the Company being reasonably satisfactory to the Investor;

(f) all necessary governmental and regulatory approvals, consents, filings and reports required (including but not limited to those from the relevant commerce authority, foreign exchange regulator and state-owned assets supervisory body of the PRC) for the placing (including the Subscription) having been obtained by the Investor, and all of which remain effective;

(g) all approvals and consents required for the placing (including the Subscription) being obtained by the Investor, including (but not limited to) the approval from its board of directors and (if applicable) the approval from its shareholders at its general meeting;

(h) there having being no material breach of the Share Subscription Agreement by the Company;

(i) the warranties given by the Company (as repeated up to Closing) remain true, complete, accurate and not misleading at Closing;

(j) there being no material adverse change in the Company from the date of the Share Subscription Agreement;

(k) no government or other regulatory authorities or bodies having promulgated or adopted any laws, rules or regulations, and no courts with jurisdiction having made any orders or injunctions that would prohibit completion of the proposed placing and the transactions contemplated thereunder (including the Subscription); and

(l) all the conditions specified in the CB Subscription Agreement having been satisfied or waived according to the terms therein.

The parties are entitled to waive all or any of the conditions above, apart from (a), (b), (c), (d), (f), (g), (k) and (l) above, by way of written notice to the other. None of the conditions has been fulfilled as at the Latest Practicable Date. As at the Latest Practicable Date, the Company does not intend to waive any of the said conditions.

If the above conditions precedent are not fulfilled (or waived, as the case maybe) on or before the Long Stop Date, the obligations of the Company and Beijing Gas under the Share Subscription Agreement shall forthwith cease and terminate and neither the Company nor the Vendor shall have any claim against the other party, save for any antecedent breach pursuant to the Share Subscription Agreement.

Closing

Closing shall take place within ten Business Days after all conditions being satisfied, or shall be on such date ("**Closing Date**") as mutually agreed between the Company and the Investor and at the time and place specified in the written notice to be sent to the Investor by the Company.

At the Closing, two representatives to be nominated by the Investor shall be approved by the Board to be admitted into the investment committee of the Company (which shall have seven committee members after such admission) and the terms of reference of such investment committee shall be amended to the effect that any investment or expenditure by the Company exceeding RMB300 million will need to be approved by at least six committee members.

Undertakings by the Company

From the date of Share Subscription Agreement to the Closing Date, unless prior written consent of the Investor is obtained, the Company:

(a) shall not change the Group's principal business and shall procure the Group to carry on its principal business during the normal course of business;

(b) shall not change or amend its Bye-laws, except from time to time in accordance with applicable laws;

(c) shall not announce, pay or make any dividend payments or other distributions;

(d) unless otherwise provided in the Share Subscription Agreement in relation to appointment of additional or replacement directors or in compliance with the rules and regulations or the Listing Rules in relation to appointment of replacement directors, shall not appoint any additional or replacement directors to the Board from the date of the Share Subscription Agreement to Closing Date;

(e) shall not implement any mergers, acquisitions (except for the proposed acquisition of Zhejiang Bochen Energy Holding Co., Ltd. as disclosed in the Company's announcement dated 9 December 2015 and the proposed acquisition of Fox Smart Ltd. as disclosed in the Company's announcement dated 11 December 2015), restructuring, or sell all or substantially all of its assets, or agree, arrange or undertake to conduct the same;

(f) shall not set up joint ventures, new companies, or provide any loans, guarantees, mortgages or incur any other liabilities for third parties (unless in the ordinary and usual course of business on normal commercial terms), or agree, arrange or undertake to conduct the same;

(g) shall not issue any equity securities (including but not limited to convertible bonds), or enter into any agreement, arrangement or undertaking to such effect, other than the proposed placing and the allotment of the Subscription Shares and the Conversion Shares and the related transactions as disclosed in this circular, and (1) the convertible bonds to be issued for the major transaction as specified in the Company's circular dated 2 January 2015; (2) issue of convertible bonds to Templeton Strategic Emerging Markets Fund IV, LDC of HK$15 million as specified in the Company's announcement dated 30 November 2015; (3) potential convertible bonds to be issued in relation to the proposed acquisition of Zhejiang Bochen Energy Holding Co., Ltd. as disclosed in the Company's announcement dated 9 December 2015; (4) the consideration shares to be issued for the proposed acquisition of Fox Smart Ltd. as disclosed in the Company's announcement dated 11 December 2015; and (5) any equity securities to be allotted and issued pursuant to the conversion of all the issued and outstanding convertible securities of the Company and under the existing share option scheme adopted by the Company; and

(h) shall not carry out any share consolidation, subdivision or reclassification of the shares of the Company, or to increase the Company's capital by its profits and reserves.

The Company shall within three months from the Closing Date comply with the requirements on proportion and number of independent non-executive directors by the Listing Rules in manner as agreed by the Investor.

The Company further undertakes to the Investor that it shall within one year from the date of the Share Subscription Agreement that it shall use its best endeavours to cause its subsidiaries to obtain (insofar as the same is not available or does not exist at the date thereof) the relevant authorisation or licence or to rectify defects to title, including but not limited to the following operation licence and the land use right:

(a) applying for the gas business licence and the gas cylinder filing permit for two LNG refuelling stations for one project in Shandong Province;

(b) applying for the gas business licence and the gas cylinder filing permit for one LNG refuelling station for one project in Liaoning Province; and

(c) applying for the land use rights certificate for a parcel of land which currently is used as staff canteen and staff quarter in Liaoning Province.

Pre-emptive rights

After the Closing, if the Company proposes to allot and issue, at a price lower than the Subscription Price (per share), new Shares, convertible or exchangeable securities or any securities with rights to subscribe for new Shares of the Company ("**New Securities**" and each a "New Security", and such issuance of New Securities shall be "**New Securities Issuance**") and therefore under any circumstances where the Company will receive an initial payment for subscription price per each New Security is lower than the Subscription Price, the Investor shall be entitled to subscribe for such New Securities on a pre-emptive basis.

According to the Share Subscription Agreement, the Company shall notify the Investor about the key terms of the New Securities Issuance and the Investor should notify the Company within 20 Business Days ("**Notification Period**") whether it will proceed with the subscription of the New Securities and the intended amount of subscription. If the Investor does not exercise its pre-emptive right within the Notification Period or only subscribe for part of the New Securities, the Company is entitled to issue the New Securities or New Securities which have not been subscribed for by the Investor to any third party within 60 days on the expiry of the Notification Period. If the Company fails to make such issuance within 60 days on the expiry of the Notification Period, it shall not make such issuance unless the abovementioned procedures relating to pre-emptive rights of the Investor are complied with.

The exercise of the pre-emptive rights by the Investor shall be subject to compliance with the Listing Rules, including, if required, the obtaining of the approval from independent shareholders of the Company.

Termination of the Share Subscription Agreement

The Share Subscription Agreement may be terminated on happening of any of the following:

(a) any of the Conditions of the Subscription at Closing has not been satisfied or waived by Beijing Gas on or prior to the Closing Date, as the case may be;

(b) either party shall be in material breach of any terms of the Share Subscription Agreement;

(c) Beijing Gas shall be entitled to terminate the Share Subscription Agreement if (i) the Shares are suspended from trading on the Stock Exchange by any relevant regulatory authority for ten (10) consecutive trading days (save for any suspension thereof required under the Listing Rules for clearance of announcement or circular to be made by the Company) or when the Shares cease to be listed by the Stock Exchange for any continuous period up to the Closing Date; or (ii) any litigation or claim and the judgment of which will have a material adverse effect on the financial status or operation performance of the Group; or (iii) there exists (or alleged to be) any fraud or misconduct on the part of the Group or any of its members as discovered by any regulatory authority and after judicially determination would result in any censure being taken by any regulatory authority against the Company, any members of the Group or any senior management of the Group and which may have a material adverse effect on the financial status or operation performance of the Group (taken as a whole); or (iv) any change in the applicable law and which may have a material adverse effect on the financial status or operation performance of the Group; or

(d) the Company and Beijing Gas have mutually agreed to terminate the Share Subscription Agreement.

Nomination of Directors

The right of the nomination of Directors by the Investor under the Share Subscription Agreement shall be carried out in accordance with the Bye-laws of the Company and in compliance with the Listing Rules. The candidate(s) of the proposed director will be subject to consideration and approval by the nomination committee of the Company. The Investor has exercised its nomination right to appoint Mr. ZHI Xiaoye to be the proposed non-executive director of the Company and co-chairman of the Board while the Investor will further exercise its nomination right once it has shortlisted the other appropriate candidate to be nominated as a director of the Company. Further details of the candidate of the proposed Director nominated by the Investor are set out in section headed "Appointment of Director" in the Letter from the Board.

The power of a shareholder to nominate director(s) is provided in the Companies Act 1981 of Bermuda. Pursuant to section 79 of the Companies Act 1981 of Bermuda, Shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition are entitled to put forward a proposal in manner set out in the Company's Bye-law 87 for consideration at a general meeting of the Company, including but not limited to, the nomination of director(s). As such, if the transaction contemplated under the Share Subscription Agreement consummates, the Investor would be interested in approximately 26.07% of the total issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and before Closing). The Subscriber's right to nominate would be no different from the right of those shareholders who hold not less than 5% of the total voting rights of the Company. In addition, any

director nominated by the Investor will be no different from other Board members and will be subject to retirement and re-election in accordance with the Bye-laws of the Company.

The condition of obtaining Shareholders' approval at the SGM to authorise the Board to appoint two directors nominated by the Investor and, if such approval is not obtained at the SGM, the Board to appoint the nominated by way of causal vacancy was arrived at after arm's length negotiation between the Company and the Investor. The Company has considered the fact that the Investor is one of the leading natural gas operators in the PRC with substantial industry expertise and connection/relationship with local gas sources and downstream distribution network. It will be undoubtedly beneficial to the Company if the representatives of the Investor can provide the industry expertise and contribution on the development of the Company's business after joining the Board of the Company. In addition, such condition, insofar as the Company is aware, is customary and in line with market practice to reflect that the Investor shall have a representative role relative to its shareholding interest in the Company at the board level following completion of the Subscription.

The Company's Bye-law 85(2) further provides, among others, that any director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, any nominated directors appointed by the Board, being no different from other members of the Board, shall be subject to retirement and re-election in accordance with the Bye-laws of the Company.

The nomination right under the Share Subscription Agreement is exercisable by the Subscriber in full for one time only. The Investor, as a shareholder of the Company, will be bound by the Bye-laws of the Company upon completion of the Subscription and exercise its nomination right in accordance with the Bye-laws of the Company.

Based on the above, the Directors believe that the granting of the nomination right (including the relevant procedures) complies with the Company's Bye-laws and Rule 2.03 of the Listing Rules.

CB Subscription Agreement

Date

5 January 2016

Parties

(i) the Company; and

(ii) the Investor.

Subscription of the Convertible Bond

Subject to the terms and conditions of the CB Subscription Agreement, the Company agrees to issue and the Investor agrees to, subject to satisfaction of the CB Conditions at Closing, subscribe in cash for the Convertible Bond of an aggregate principal amount of HK$350,000,000.

Based on the initial Conversion Price of HK$0.45 per Conversion Share and assuming full conversion of the Convertible Bond, a maximum number of 777,777,777 Conversion Shares will be allotted and issued by the Company, representing approximately 12.72% of the existing issued share capital of the Company as at the Latest Practicable Date; and approximately 11.28% of the issued share capital of the Company as enlarged by the issue of Conversion Shares (assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and before Closing).

The Conversion Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

CB Conditions at Closing

The obligations of the Investor to subscribe for the Convertible Bond are subject to the following CB Conditions at Closing:

(a) The warranties made by the Company shall be true and correct in all material respect when made, and shall be true, and correct in all material respects as of the date of the Closing with the same force and effect as if they had been made on and as of such date.

(b) The Company shall have performed and complied with in all respects all agreements, obligations and conditions contained in the CB Subscription Agreement and the other transaction documents that are required to be performed or complied with by it on or before the date of the Closing and shall have obtained all approvals, consents and qualifications necessary to complete the transactions contemplated thereby at the Closing.

(c) On or prior to the Closing, the Company shall have delivered to the Investor a counterpart of the CB Subscription Agreement and each of the other duly executed transaction documents.

(d) The Company shall have obtained, on or before the Closing Date, as the case may be, any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by the CB Subscription Agreement and the other transaction documents, including but not limited to (i) the approval from the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which fall to be issued upon conversion of the Bond Instrument; and (ii) the approval from the Shareholders of the Company at its general meeting for the grant of the specific mandate to allot and issue Shares

to satisfy the allotment and issue of the Conversion Shares to be issued upon the conversion under the terms of the Bond Instrument, which has not been revoked as at the date of Closing.

(e) After the date of the CB Subscription Agreement up to and at the Closing Date, there not have occurred any change (nor any development or event involving a prospective change), in the financial or business condition, prospects, results of operations or general affairs of the Company and the Group taken as a whole, which, in the opinion of the Investor, is material and adverse in the context of the issue of the Convertible Bond. The Company shall deliver an officer's certificate providing confirmation of the foregoing to the Investor on the Closing Date.

(f) The Investor shall have obtained, on or before the Closing Date, all regulatory approval (including without limitation to approval by the relevant commerce authority, foreign exchange regulator and state-owned assets supervisory body) in respect of the subscription of the Convertible Bond.

(g) A legal opinion from the Company's Bermuda counsel opining on the due incorporation, existence and capacity of the Company, the Company's capacity in respect of the entry into the CB Subscription Agreement and the other transaction documents and the performance of its obligations hereunder and thereunder, addressed and acceptable to the Investor and dated the Closing Date.

(h) The Investor is satisfied with the results of its due diligence investigations with respect to the Company and the Group.

(i) All conditions set out in the Share Subscription Agreement having been satisfied or waived in accordance with the terms thereof.

The Investor is entitled to waive all or any of the conditions above and the Company shall use its best endeavors to procure the fulfillment of all the conditions (except conditions (d) and (f)). Up to the Latest Practicable Date, condition (c) above has been completed.

If the above conditions precedent are not fulfilled (or waived, as the case maybe) on or before the date of Closing, the obligations of the Company and the Investor under the CB Subscription Agreement shall forthwith cease and terminate and neither the Company nor the Investor shall have any claim against the other party, save for any antecedent breach pursuant to the CB Subscription Agreement.

Closing

Closing shall take place within six months from the date of the CB Subscription Agreement or at such other date as the parties may mutually agreed, time and place as the Company and the Investor may mutually agree upon.

Termination of the CB Subscription Agreement

The Investor may, by notice to the Company given at any time prior to payment of the Issue Price, terminate CB Subscription Agreement in any of the following circumstances:

(a) if there shall have come to the notice of the Investor any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the CB Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the CB Subscription Agreement;

(b) if any of the CB Conditions at Closing has not been satisfied or waived by the Investor on or prior to the Closing Date, as the case may be;

(c) if the Closing is not consummated within six (6) months after the date of the CB Subscription Agreement or such extended period as may be mutually agreed by the Company and the Investor; or

(d) if the Company and the Investor have mutually agreed to terminate the CB Subscription Agreement.

Principal Terms of the Convertible Bond

Principal Amount

HK$350,000,000.

Issue Price

100% of the aggregate principal amount of the Convertible Bond.

Form

The Convertible Bond will be issued in registered form.

Status

The Convertible Bond shall constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bond shall, save for such exceptions as may be provided by mandatory provisions of applicable laws, at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations.

Maturity Date

The Convertible Bond will mature on the Interest Payment Date falling on or nearest to the third anniversary of the Issue Date.

Interest

The Convertible Bond bears interest from and including the Issue Date and payable every six months in arrears on the Interest Payment Date. The amount of interests shall be calculated by applying the rate of interest of 4.5 per cent. per annum to the outstanding principal amount of such Convertible Bond.

Conversion Price

The conversion price is initially HK$0.45 per Share subject to adjustment in accordance with the CB Conditions.

The Conversion Price represents:

(a) a discount of approximately 11.76% to the closing price of HK$0.51 per Share as quoted on the Stock Exchange on 4 January 2016, being the Last Trading Day;

(b) a discount of approximately 11.76% to the average of the closing prices of HK$0.51 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(c) a discount of approximately 13.29% to the average of the closing prices of HK$0.519 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the date of signing the CB Subscription Agreement; and

(d) a premium of approximately 143.24% to the net asset value attributable to Shareholders of the Company of approximately HK$0.185 per Share, calculated based on the Group's unaudited net asset of HK$1,131,566,000 as at 30 June 2015 and 6,113,609,768 Shares in issue as at the Latest Practicable Date.

The Directors are of the opinion that the Conversion Price for the issuance of the Conversion Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustments to the Conversion Price

The Conversion Price shall be adjusted as provided in each of the following cases:

(a) an alteration of the nominal value of the Shares as a result of consolidation, subdivision or reclassification;

(b) an issue by the Company of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves (including Shares paid up out of distributable profits or reserves and/or share premium account issued);

(c) a capital distribution (including an extraordinary dividend) being made by the Company to the Shareholders;

(d) an offer or grant being made by the Company to all or substantially all Shareholders as a class by way of rights or of options, warrants or other rights to subscribe for or purchase any Shares at a price per Share less than 85% of the market price on the last trading day preceding the date of the announcement of the terms of such issue or grant;

(e) an issue of any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all Shareholders as a class by way of rights, or the grant by way of rights, of any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares);

(f) an issue wholly for cash any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other existing rights of conversion into, or exchange or subscription for, Shares) or an issue or grant (otherwise as mentioned in item (d) above) of options, warrants or other rights to subscribe or purchase Shares at a price per Share less than 85% of the market price on the last trading day preceding the date of announcement of the terms of such issue or grant;

(g) an issue of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued upon conversion, exchange or subscription at a consideration per Share which is less than 85% of the market price on the last trading day preceding the date of announcement of the terms of issue of such (otherwise as mentioned in items (d), (e) or (f) above);

(h) any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in item (g) above so that the consideration per Share is less than 85% of the market price on the last trading day preceding the date of announcement of the proposed modification;

(i) an issue, sale or distribution of any additional securities for a consideration per Share which is less than 85% of the initial Conversion Price at any time after the Closing in connection with an offer by and on behalf of the Company or any of its subsidiaries or such other company, person or entity (except where the Conversion Price falls to be adjusted under items (d), (e), (f) or (g) above);

(j) any other events where the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to above.

In relation to item (j) above, if the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in items (a) to (i) above, the Company shall at its own expense request an independent bank of international repute (the "**Expert**") to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and

the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to matters set out above have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of adjustments to the Conversion Price under the CB Subscription Agreement as may be advised by an Expert, selected by the Company and approved in writing by the Bondholder, to be in their opinion appropriate to give the intended result.

The above is a common term included in the terms and conditions of the Convertible Bond without referring to any specific circumstances. It is expected that the circumstances in which the Company would seek to avail itself to such adjustment to be limited. As summarised above, there is a requirement to consult an independent investment bank in making an adjustment, and the determination would be made by such independent investment bank and not by the Company.

Conversion Rights

Subject to the terms contained in the Convertible Bond, the Bondholder shall have the right to convert all or part of the Convertible Bond held by it into Shares credited as fully paid at any time during the Conversion Period disregarding fractions and rounded down to the nearest whole number of Shares, by dividing the aggregate principal amount of the Convertible Bond to be converted, by the applicable Conversion Price in effect on the relevant Conversion Date.

The Bondholder shall not exercise the Conversion Rights under the Convertible Bond if (i) the Bondholder, its associates and parties acting in concert with it will, in aggregate, as a result of the issue of the relevant Conversion Shares upon exercise of the Conversion Rights attaching to the Convertible Bond acquire 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the issued share capital of the Company and trigger any mandatory offer obligations under Rule 26 of the Takeovers Code on the part of the Bondholder; or (ii) the public float of the Shares is less than 25% (or any given percentage as required by the Listing Rules) of the issued share capital of the Company at any one time in compliance with the Listing Rules.

Conversion Shares

Based on the initial Conversion Price of HK$0.45 per Conversion Share and assuming full conversion of the Convertible Bond, a maximum number of 777,777,777 Conversion Shares will be allotted and issued by the Company, representing approximately 12.72% of the existing issued share capital of the Company as at the Latest Practicable Date; and 11.28% of the issued share capital of the Company as enlarged by the issue of Conversion Shares (assuming that there is no change in the issued share capital of the Company after the Latest Practicable Date and before Closing). No fraction of a Conversion Share shall be issued on conversion and no cash adjustments will be made in respect thereof.

Conversion Period

The bondholder shall be entitled to exercise the Conversion Right attaching to the Convertible Bond during the period commencing from the date of issue of the Bond and ending on the date which falls on or nearest to the third anniversary of the date of issue of the Bond.

Negative Pledge

So long as any Convertible Bond remains outstanding, the Company will not create or permit to subsist, and the Company will procure that no subsidiary will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of, any Relevant Indebtedness unless, at the same time or prior thereto, the Company's obligations under the Convertible Bond (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the bondholder in its absolute discretion shall deem to be not materially less beneficial to the bondholder or as shall be approved by an extraordinary resolution of the bondholder.

Transferability

The Convertible Bond may be transferred without the consent of the Company by delivery of the bond certificate issued in respect of that Convertible Bond, with the form of transfer duly completed and signed.

Redemption on Maturity Date

The principal amount of the Convertible Bond which remains outstanding on the Maturity Date shall be automatically redeemed by the Company on the Maturity Date at a redemption amount in accordance with the following formula:

> "Redemption Amount" = the then outstanding principal amount of such Convertible Bond at the time of redemption plus the interest accrued at the compounded rate of 3% per annum for the period from the Issue Date to the date of redemption.

Redemption for Delisting, Suspension of Trading or Change of Control

Each bondholder will have the right, at such bondholder's option, to require the Company to redeem all, but not some only, of such bondholder's Convertible Bond on the relevant event redemption date at a price equal to the Redemption Amount, in the event that (a) when the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding ten consecutive trading days on the Stock Exchange or, if applicable, the alternative stock exchange; or (b) when there is a change of control of the Company pursuant to the terms of the Convertible Bond.

Events of Default

The bondholder may give written notice to the Company that the Convertible Bond are, and they shall immediately become due and payable by the Company at the principal amount together with accrued and unpaid interest if any of the following events occurs and is continuing:

(a) there is a default in the payment of any principal or interest or premium due in respect of the Convertible Bond on the due date for such payment and in the case of interest only, such default continues for a period of more than seven (7) Business Days;

(b) the Company does not perform or comply with one or more of its other warranties, covenants or obligations in the Convertible Bond or the bond instrument which default is incapable of remedy in the opinion of the bondholder or, if capable of remedy is not remedied within thirty (30) days after written notice of such default;

(c) failure by the Company to deliver any Shares as and when such Shares are required to be delivered following conversion of a Convertible Bond;

(d) the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Company;

(e) (i) any other present or future indebtedness (whether actual or contingent) of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant indebtedness in respect of which one or more of the events mentioned above in this item have occurred exceeds RMB30,000,000 or its equivalent in any other currency or currencies;

(f) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company and is not discharged or stayed within thirty (30) days;

(g) an order of any court of competent jurisdiction is made or an effective resolution is passed for the liquidation, winding-up or dissolution of the Company (other than a voluntary winding-up on a solvent basis), or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the bondholder;

(h) an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Company or any of its subsidiaries (as the case may be) and is not discharged within thirty (30) days;

(i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantially all of the assets of the Company or any of its subsidiaries;

(j) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bond, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Convertible Bond admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done;

(k) it is or will become unlawful for the Company to perform or comply with anyone or more of its obligations under the Convertible Bond;

(l) the Shares are suspended from trading for more than ten (10) continuous trading days save for any suspension thereof required under the Listing Rules for clearance of announcement or circular to be made by the Company;

(m) the Company or any of its subsidiaries makes any false or misleading representation in respect of the Convertible Bond;

(n) the Company or any of its subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;

(o) Mr. Cheng Ming Kit no longer directly or indirectly hold more than 10% of the Shares; or

(p) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

Reason and Benefits of the Subscription for Subscription Shares and Convertible Bond

Although the Subscription for the Subscription Shares and the potential allotment and issue of the Conversion Shares pursuant to the Conversion Rights attaching to the Bond may result in a dilution on the existing Shareholders, the Directors are of the view that such equity financing will enable to Group to raise fund to strengthen its cash position without the need to pay high interest costs and the pledge of the Group's asset as collateral in debt financing. As compared to other means of equity financing like rights issue or open offer, the Subscription and the potential allotment and issue of the Conversion Shares are less costly and time-consuming, and do not involve preparation and filing of prospectuses and other related documents. Most importantly, it represents a valuable opportunity for the Group to bring in a major shareholder which has extensive experience, strong expertise and a wide business network in the natural gas industry.

Beijing Gas is the largest municipal natural gas supplier in terms of a single city and is in a leading position in terms of pipeline scale, volume of gas customers, annual gas consumption and sales proceeds in the PRC. Beijing Gas possesses numerous valuable resources on natural gas segment, including but not limited to (1) industry expertise; (2) connection and relationship with local gas sources and downstream distribution networks; (3) high-quality and mega-sized natural gas projects in the PRC. The Directors believe that the Group can leverage on the experience, expertise and resources of the Investor and further develop and provide synergy effects to the natural gas business of the Group in the PRC. Therefore, the Directors consider that entering into the Share Subscription Agreement represents a good opportunity to (i) raise substantial capital for the Group while broadening its Shareholders and capital base; (ii) improve the financial position and liquidity of the Group; and (iii) provide the Company with the financial flexibility necessary for the Group's future business development and the capability to capture any prospective investment opportunity as and when it arises.

In view of the above, the Board considers that the Share Subscription Agreement and the CB Subscription Agreement are entered into after arm length negotiations between the Company and Beijing Gas on normal commercial terms, and the terms of the Share Subscription Agreement (including the Subscription Price) and the CB Subscription Agreement are fair and reasonable, and are in the interest of the Company and the Shareholders.

Proceeds from the Subscription and Use of Proceeds

The gross proceeds from the issue of the Subscription Shares pursuant to the Share Subscription Agreement will be approximately HK$970,000,000 and the gross proceeds from the issue of the Convertible Bond pursuant to the CB Subscription Agreement will be approximately HK$350,000,000. The net proceeds from the issue of the Subscription Shares pursuant to the Share Subscription Agreement and the Convertible Bond pursuant to the CB Subscription Agreement, after deduction of all relevant costs and expenses, is estimated to be approximately HK$1,318,000,000. The net Subscription Price, after

deduction of all relevant costs and expenses, is estimated to be approximately HK$0.449 per Subscription Share. The net Issue Price, after deduction of all relevant costs and expenses, is estimated to be approximately HK$349,000,000.

The net proceeds are intended to be used as follows:

— approximately HK$750 million for mergers and acquisition of natural gas projects (i.e. (i) HK$600 million for the settlement of cash consideration for the acquisition of and further working capital required by Zhejiang Bochen Energy Co., Ltd. ("**Zhejiang Bochen**") as set out in the Company's announcement dated 9 December 2015. As at the Latest Practicable Date, the Company is still in the process of negotiation and settling the major terms of the proposed acquisition with the vendor, including the percentage of the equity interests to be acquired, the amount of the consideration and the settlement method; (ii) HK$20 million for the settlement of the cash consideration/repayment of promissory note for the acquisition of Fox Smart Ltd., details of which are set out in the Company's announcement dated 11 December 2015; and (iii) HK$130 million for acquisitions of other potential natural gas projects) in the Eastern region of the PRC (華東地區), where the operation of Zhejiang Bochen is located and are expected to have synergy effect with Zhejiang Bochen, including but not limited to Zhejiang province, Anhui province, Jiangsu province and Fujian province;

— approximately HK$300 million for the capital expenditure of the existing projects of the Group in Shandong Province, Hainan Province, Guizhou Province, Liaoning Province, Hubei Province, Jiangsu Province, Auhui Province and Sichuan Province;

— approximately HK$138 million for repayment of loans and interest payment of loans and convertible bonds; and

— approximately HK$130 million for general working capital which shall include general administrative expenses of the Group

Effect on Shareholding Structure of the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure in respect of the Shares and the effects on the shareholding structure in respect of the Shares (i) as at the Latest Practicable Date; (ii) immediately after the Closing of the Subscription; (iii) immediately after the full conversion of the Conversion Shares only; (iv) immediately after the Closing of the Subscription, the full conversion of the Conversion Shares and the issuance of the Consideration Shares; and (v) immediately after the Closing of the Subscription, the conversion of the Conversion Shares and the issuance of the Consideration Shares (taking into account of the 30% conversion limit) (assuming that there is no change in the shareholding structure and in the issued share capital of the Company after the Latest Practicable Date and before the Closing), are set out as below for illustration purposes only:

		As at the Latest Practicable Date		**Immediately after the Closing of the Subscription**		**Immediately after the full conversion of the Conversion Shares**		**Immediately after the Closing of the Subscription, full conversion of the Conversion Shares and the issuance of the Consideration Shares**		**Immediately after the Closing of the Subscription and the issuance of the Consideration Shares and the Conversion Shares (taking into account of the 30% conversion limit)**	
	Notes	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Directors											
Cheng Ming Kit	*1*	952,195,256	15.58	952,195,256	11.52	952,195,256	13.82	952,195,256	10.15	952,195,256	10.90
Sze Chun Lee	*2*	173,288,480	2.83	173,288,480	2.09	173,288,480	2.51	173,288,480	1.84	173,288,480	1.98
Chung Oi Ling, Stella	*3*	206,340,000	3.38	206,340,000	2.49	206,340,000	3.00	206,340,000	2.20	206,340,000	2.36
Kwok Shek San	*4*	7,296,000	0.12	7,296,000	0.09	7,296,000	0.10	7,296,000	0.08	7,296,000	0.08
Hu Xiaoming	*5*	2,640,000	0.04	2,640,000	0.03	2,640,000	0.04	2,640,000	0.03	2,640,000	0.03
		1,341,759,736	21.95	1,341,759,736	16.22	1,341,759,736	19.47	1,341,759,736	14.30	1,341,759,736	15.36
The Investor		—	—	2,155,555,555	26.07	777,777,777	11.29	3,271,111,110	34.85	2,618,870,974	29.99
Public Shareholders		4,771,850,032	78.05	4,771,850,032	57.71	4,771,850,032	69.24	4,771,850,032	*(Note 6)* 50.85	4,771,850,032	54.64
Total		6,113,609,768	100.00	8,269,165,323	100.00	6,891,385,545	100.00	9,384,720,878	100.00	8,732,480,742	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 903,190,256 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 49,005,000 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 171,488,480 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 be Flame Capital Limited.

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

5. Mr. Hu Xiaoming is an executive Director and personally holds 2,640,000 Shares.

6. The figures on shareholding number and percentage are for illustration purposes only. The Bondholder shall not exercise the Conversion Rights under the Convertible Bond if (i) the Bondholder, its associates and parties acting in concert with it will, in aggregate, as a result of the issue of the relevant Conversion Shares upon exercise of the Conversion Rights attaching to the Convertible Bond acquire 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the issued share capital of the Company and trigger any mandatory offer obligations under Rule 26 of the Takeovers Code on the part of the Bondholder; or (ii) the public float of the Shares is less than 25% (or any given percentage as required by the Listing Rules) of the issued share capital of the Company at any one time in compliance with the Listing Rules.

Equity Fund Raising Activities in the Past Twelve Months

The Company has conducted the following equity fund raising activities for the 12 months immediately before the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
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$29.7 million for mergers and acquisitions of natural gas projects, including (i) HK$15.0 million for the project in Yunnan Province (please refer to the announcement of the Company dated 13 April 2015 for the details of the acquisition of the beneficiary rights under the investment scheme in relation to a Yunnan project), (ii) HK$7.4 million for the project in Shandong Province (please refer to the announcement of the Company dated 10 August 2015 for the details of the acquisition of Energy Shell Limited), (iii) HK$6.2 million for the project in Ningxia Province which was paid as an earnest money for a potential target located in Ningxia Province, and (iv) HK$1.1 million for the project in Heilongjiang Province (please refer to the announcement of the Company dated 25 November 2014 for the details of the acquisition of Triple Energy Limited)

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
				— Approximately HK$30.3 million for the capital expenditure for the existing projects of the Group, including (i) HK$11.2 million for the project in Liaoning Province, (ii) HK$3.3 million for the project in Sichuan Province, and (iii) HK$15.8 million for the project in Guizhou Province
				— Approximately HK$3.0 million was used for general working capital

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
29 May 2015	Placing of new shares	Approximately HK$41.5 million	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	— Approximately HK$20.7 million for mergers and acquisitions of natural gas projects, including (i) HK$7.8 million for the project in Shandong Province (please refer to the announcement of the Company dated 10 August 2015 for the details of the acquisition of Energy Shell Limited), (ii) HK$7.8 million for the project in Hainan Province (please refer to the announcement of the Company dated 11 December 2015 for the details of the acquisition of Fox Smart Limited), (iii) HK$3.0 million for the project in Guangdong Province and (iv) HK$2.1 million for the project in Heilongjiang Province (please refer to the announcement of the Company dated 25 November 2014 for the details of the acquisition of Triple Energy Limited)

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
				— Approximately HK$15.4 million for the capital expenditure for the existing projects of the Group, including (i) HK$5.0 million for the project in Liaoning Province, (ii) HK$7.5 million for the project in Guizhou Province, and (iii) HK$2.9 million for the project in Hubei Province
				— Approximately HK$5.4 million was used for general working capital

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
13 August 2015	Issue of convertible bonds	Approximately HK$110 million	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	— Approximately HK$101.1 million for mergers and acquisitions of natural gas projects, including (i) HK$59.9 million for the projects in Shandong Province (for HK$42.3 million please refer to the announcement of the Company dated 10 August 2015 for the details of the acquisitions of Energy Shell Limited and for HK$4.2 million please refer to the announcement of the Company dated 21 September 2015 for the acquisition of Faster Success Global Limited and for HK$13.4 million was paid as an earnest money for a potential target in Shandong Province), (ii) HK$25.2 million for the project in Guangdong Province; and (iii) HK$16.0 million for the project in Hainan Province (please refer to the announcement of the Company dated 11 December 2015 for the details of the acquisition of Fox Smart Limited)

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
				— Approximately HK$4.0 million for the capital expenditure for the existing projects of the Group, including (i) HK$2.8 million for the project in Liaoning Province and (ii) HK$1.2 million for the project in Heilongjiang Province — Approximately HK$4.9 million was used for general working capital
30 November 2015	Issue of convertible bonds	Approximately HK$14.5 million	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	To be utilised as proposed, which will include the following: — Approximately HK$4.0 million for mergers and acquisitions of natural gas projects — Approximately HK$8.5 million for capital expenditure of the existing projects of the Group — Approximately HK$2.0 million for general working capital

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
4 December 2015	Issue of convertible bonds	Approximately HK$190 million	Intended to be used for financing the expansion of natural gas business of the Company and replenishing general working capital	— Approximately HK$92.0 million for mergers and acquisitions of natural gas projects, including (i) HK$61.1 million for the project in Zhejiang Province (please refer to the announcement of the Company dated 9 December 2015 for the proposed acquisition of a target company which will hold Zhejiang Bochen); (ii) HK$21.9 million for the project in Hainan Province (for HK$16.2 million, please refer to the announcement of the Company dated 11 December 2015 for the details of the acquisition of Fox Smart Limited and for HK$5.7 million was paid as an earnest money for a potential target located in Hainan Province); and (iii) HK$9.0 million for the project in Shandong Province which was paid as an earnest money for a potential target located in Shandong Province

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
				— Approximately HK$28.4 million for the capital expenditure for the existing projects of the Group, including (i) HK$22.6 million for the project in Liaoning Province; (ii) HK$5.3 million for the project in Guizhou Province and (iii) HK$0.5 million for the project in Sichuan Province
				— Approximately HK$19.5 million was used for general working capital
				— The balance of HK$50.1 million shall be utilised as proposed, which will include the following: — Approximately HK$18.0 million for mergers and acquisitions of natural gas projects — Approximately HK$20.0 million for capital expenditure of the existing projects of the Group — Approximately HK$12.1 million for general working capital

Information about the Group

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.

Information about Beijing Gas/the Investor

Beijing Gas is a limited liability company established in the PRC. Its principal activities include natural gas production and distribution services.

Specific Mandates

The Company will seek the approval of the Specific Mandates from the Shareholders at the SGM to allot and issue (i) the Consideration Shares pursuant to the Acquisition Agreement, (ii) the Subscription Shares pursuant to the Share Subscription Agreement and (iii) the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares (including for the avoidance of doubt any additional Conversion Shares that may be allotted or issued as a result of adjustment(s) to the Conversion Price from time to time in accordance with the terms and conditions of the Convertible Bond) to the Investor or Bondholder upon exercise of the Conversion Rights. Application will also be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares, the Subscription Shares and the Conversion Shares.

4. APPOINTMENT OF DIRECTOR

Reference is made to the announcement regarding the appointment of Mr. Zhi Xiaoye to be the proposed non-executive director published by the Company on 29 February 2016. The appointment will be subject to shareholders' approval at the SGM.

The biography of the candidate of the proposed Director is set out below:

ZHI Xiaoye, aged 48, currently Vice President of Beijing Enterprises Holdings Limited since July 2014 (a company listed on the Stock Exchange). Mr. Zhi also serves as General Manager of Beijing Gas. Mr. Zhi graduated from Beijing University of Technology with a master degree in Management Science and Engineering, possesses the title of senior engineer, and had worked at Tokyo Gas in Japan as Researcher, at Beijing Gas as transmission branch Manager, at Beijing Dingxin New Technology Company Limited (北京市鼎新新技術有限公司) as Chairman and at Beijing Gas as Executive Deputy General Manager. Mr. Zhi has plenty of experience in pipe gas business and corporate management.

Save as disclosed above, Mr. Zhi had not held any directorship in other public companies the securities which are listed on any securities market in Hong Kong or overseas in the last three years and he has no relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of the Latest Practicable Date, Mr. Zhi does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (as defined under Part XV of the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong) of the Company.

Mr. Zhi will enter into a service agreement with the Company with a term of three years commencing from the date of Closing of the Subscription. He will be subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company and his appointment may be terminated with three months' notice in writing served by either party on the other. Mr. Zhi will be entitled to an annual remuneration which will be determined by reference to his duties and responsibilities with the Company, the Company's performance and current market situation. The Company will publish a further announcement once the annual remuneration is determined.

In addition, there is no other information in relation to Mr. Zhi which is discloseable pursuant to the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is he involved in any of the matters required to be disclosed pursuant to the Listing Rules. Save for the above, there is no other matter that needs to be brought to the attention of the shareholders of the Company.

5. THE SGM

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve among other things, the Proposed Acquisition, the Share Subscription Agreement, the CB Subscription Agreement and the transactions contemplated thereunder respectively, including but not limited to the grant of Specific Mandate(s).

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the SGM in respect of the Proposed Acquisition, the allotment and issuance of the Consideration Shares, the Share Subscription Agreement, the CB Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandates).

A notice of the SGM is set out on pages 52 to 56 of this circular. The SGM will be convened and held at Level 9, Central Building, 1–3 Pedder Street, Central, Hong Kong on Wednesday, 16 March 2016 at 11:30 a.m., at which, the relevant resolutions will be proposed to the Shareholders to consider and, if thought fit, to approve, among others, the Proposed Acquisition, the Specific Mandates to allot and issue (i) the Consideration Shares pursuant to the Acquisition Agreement; (ii) the Subscription Shares pursuant to the Share Subscription Agreement; and (iii) the Conversion Shares pursuant to the CB Subscription Agreement and the appointment of proposed Director.

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the relevant resolutions to be approved in respect of the Proposed Acquisition, the Specific Mandates to allot and issue (i) the Consideration Shares pursuant to the Acquisition Agreement; (ii) the Subscription Shares pursuant to the Share Subscription Agreement; and (iii) the Convertible Bond pursuant to the CB Subscription Agreement and the Conversion Shares (including for the avoidance of doubt any Conversion Shares that may be allotted or issued as a result of adjustment to the Conversion Price from time to time in accordance with the terms of the Convertible Bond) to the Investor or Bondholder upon exercise of the Conversion Rights, and the appointment of the proposed Director at the SGM will be taken by way of poll.

Hong Kong

Shareholders (whether or not able to attend the SGM) are requested to complete and return the enclosed Hong Kong proxy form in accordance with the instructions printed thereon and deposit with the Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should they elect to do so. **Please note that this paragraph is only applicable to Shareholders whose Shares are registered in the branch register of members in Hong Kong.**

Singapore

Any Shareholder, Depositor or proxy who wishes to attend, speak and vote at the SGM may do so via video conferencing at Level 30, Singapore Land Tower, 50 Raffles Place, Singapore 048623.

If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Singapore proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Singapore proxy form by a Shareholder will not prevent him from attending and voting at the SGM in person if he so wishes, and in such event the Singapore proxy form submitted bearing his name shall be deemed to be revoked. **Please note that this paragraph is only applicable to Shareholders who do not hold Shares through an account with the CDP (i.e. who hold Shares in scrip).**

Under the Bermuda Companies Act, only a person who agrees to become a shareholder of a Bermuda company and whose name is entered in the register of members of such a Bermuda company is considered a member with rights to attend and vote at general meetings of such company.

Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through the CDP appointing him as a proxy, pursuant to the Bye-laws of the Company and the Bermuda Companies Act.

Pursuant to Bye-law 77 of the Company's Bye-laws, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company as the CDP's proxies to vote on behalf of

the CDP at a general meeting of the Company. Notwithstanding any other provisions in the Bye-laws, the appointment of proxies by virtue of Bye-law 77 shall not require an instrument of proxy or the lodgement of any instrument of proxy.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the SGM may attend and vote as the CDP's proxies at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and who wishes to attend and vote at the SGM must complete and return the attached Depositor proxy form, for the nomination of person(s) to attend and vote at the SGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM.

If an individual Depositor is unable to attend the SGM personally and wishes to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor proxy form attached to this circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and return of the Depositor proxy form by a Depositor (who is an individual) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so, and in which event the Depositor proxy form submitted bearing his name shall be deemed to be revoked.

The results of the SGM will be published after the conclusion of the SGM on the websites of the Stock Exchange, the SGXNET and the Company.

7. BOARD'S APPROVAL AND RECOMMENDATION

No Directors has a material interest in the Proposed Acquisition, the Subscription and the issue of the Convertible Bond and the Board has approved the Acquisition Agreement, the Share Subscription Agreement and the CB Subscription Agreement, and the respective transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) consider that the Acquisition Agreement, the Share Subscription Agreement and the CB Subscription Agreement, and their respective terms are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its Shareholders as a whole. The Directors recommend that Shareholders should vote in favour of the resolutions to be proposed at the SGM.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. ADDITIONAL INFORMATION

Shareholders and potential investors should note that the Proposed Acquisition, the Subscription and the issue of the Convertible Bond are subject to various conditions which may or may not be fulfilled. There is therefore no assurance that the Proposed Acquisition, the Subscription and the issue of the Convertible Bond will proceed and, if it proceeds, on what terms it may proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares of the Company.

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

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Blue Sky Power Holdings Limited (the "**Company**") will be convened and held at Level 9, Central Building, 1–3 Pedder Street, Central, Hong Kong on Wednesday, 16 March, 2016 at 11:30 a.m. ("**SGM**") for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company.

Any shareholder of the Company ("**Shareholder**"), person being a depository agent or a holder of a securities account maintained with The Central Depository (Pte) Limited ("**Depositor**") or proxy who wishes to attend, speak and vote at the SGM may do so via video conferencing at Level 30, Singapore Land Tower, 50 Raffles Place, Singapore 048623. The person attending the said video conference will be able to pose questions to the Company management and to comment on issues on the SGM's agenda. Please be on time to avoid disrupting the SGM as the SGM will commence at the stipulated time.

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the proposed acquisition of interest in Beijing Gas Group (Teng County) Co. Ltd. contemplated under the Acquisition Agreement (as defined in the circular of the Company dated 29 February 2016 (the "**Circular**")) (a copy of which has been produced to this meeting marked "A" and initialled by the chairman of the SGM for the purpose of identification) dated 5 January 2016 entered into between the Company and Beijing Gas Group Co., Ltd. ("**Beijing Gas**") be approved and that the board of directors of the Company (the "**Board**") be and is hereby granted a specific mandate ("**Specific Mandate for Consideration Shares**") to exercise the powers of the Company to allot and issue a total of 337,777,778 new ordinary shares of the Company (the "**Consideration Share(s)**") at the issue price of HK$0.45 per Consideration Share in accordance with the terms and conditions of the Acquisition Agreement, where such Consideration Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue and the Specific Mandate for Consideration Shares is in

addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Board prior to the passing of this resolution; and

(b) any executive Director be and is hereby authorised to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Acquisition Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.''

2. "**THAT**

(a) the Share Subscription Agreement (as defined in the Circular) dated 5 January 2016 entered into between the Company and Beijing Gas in relation to the subscription by Beijing Gas (or its wholly-owned subsidiary as Beijing Gas may nominate) (the "**Investor**") for a total number of 2,155,555,555 new ordinary shares of the Company (the "**Subscription Share(s)**") at the subscription price of HK$0.45 per Subscription Share, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified and any executive director ("**Director**") of the Company be and are hereby authorised to implement the transactions contemplated under the Share Subscription Agreement and to do all such acts and execute all such documents with any amendments to the terms of the Share Subscription Agreement which are not inconsistent with the purpose thereof as may be approved by the Directors of the Company;

(b) the Board be and is hereby granted a specific mandate ("**Specific Mandate for the Subscription Shares**") to exercise the powers of the Company to allot and issue the Subscription Shares in accordance with the terms and conditions of the Share Subscription Agreement, where such Subscription Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue and the Specific Mandate for the Subscription Shares is in addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Board prior to the passing of this resolution; and

(c) any executive Director be and is hereby authorised to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two Directors or any Director together with the secretary of the Company) and to take such steps as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Share Subscription Agreement or any transactions contemplated

thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith."

3. "**THAT**

(a) the CB Subscription Agreement (as defined in the Circular) dated 5 January 2016 entered into between the Company and Beijing Gas pursuant to which the Company has conditionally agreed to issue and Beijing Gas has conditionally agreed to subscribe for the convertible bond in an aggregate principal amount of HK$350,000,000 ("**Convertible Bond**") subject to the terms and conditions thereof, be and are hereby approved, confirmed and ratified and any executive Director be and are hereby authorised to implement the transactions contemplated under the CB Subscription Agreement and to do all such acts and execute all such documents with any amendments to the terms of the CB Subscription Agreement which are not inconsistent with the purpose thereof as may be approved by the Directors of the Company;

(b) approval be and is hereby given to the Directors to:

(i) create and issue the Convertible Bond to the Investor, such Convertible Bond, at the option of the holder thereof (the "**Bondholder**"), to be convertible into new ordinary shares of the Company ("**Conversion Share(s)**") at the initial conversion price of HK$0.45 per Conversion Share in accordance with the terms and conditions of the Convertible Bond as set out in the CB Subscription Agreement ("**Conversion Right**"), including but not limited to the restriction that the Bondholder shall not exercise the Conversion Rights under the Convertible Bond if (i) the Bondholder, its associates and parties acting in concert with it will, in aggregate, as a result of the issue of the relevant Conversion Shares acquire 30% or more (or such other percentage as stated in Rule 26 of the Code on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**") in effect from time to time) of the issued share capital of the Company and trigger any mandatory offer obligations under Rule 26 of the Takeovers Code on the part of the Bondholder; or (ii) the public float of the Shares is less than 25% (or any given percentage as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Listing Rules**")) of the issued share capital of the Company at any one time in compliance with the Listing Rules ("**Conversion Restriction**"). Such issue of Convertible Bond shall also be subject to such adjustments as the terms and conditions of the Convertible Bond may provide;

(ii) subject to the Conversion Restriction as set out under paragraph (b)(i) to allot and issue such number of Conversion Shares (including for the avoidance of doubt any additional Conversion Shares that may be allotted or issued as a result of adjustment(s) to the conversion price from time to

time in accordance with the terms and conditions of the Convertible Bond) ("**Specific Mandate for Conversion Shares**") as may be required to be permitted to be allotted or issued on the conversion of the Convertible Bond to the Investor or the bondholder on conversion thereof, subject to and otherwise in accordance with the terms and conditions of the Convertible Bond, whereby such Conversion Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of exercise of the Conversion Rights. The Specific Mandate for the Conversion Shares is in addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Board prior to the passing of this resolution; and

(iii) to take such steps, make such adjustments to the terms and conditions of the Convertible Bond or to any documents and exercise such discretion as they may from time to time deem fit, desirable, expedient or necessary to give full effect to the CB Subscription Agreement."

4. "**THAT**

(a) Mr. ZHI Xiaoye be appointed as a non-executive director of the Company effective on the Closing of the Subscription.

(b) Any director of the Company is authorized to enter into a service contract with him and fix remuneration.

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

Hong Kong, 29 February 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Place of business in Hong Kong:
Room 1411, 14/F,
New World Tower I
16–18 Queen's Road Central
Central, Hong Kong

Notes:

1. A Singapore proxy form (for Singapore Shareholders), a Hong Kong proxy form (for Hong Kong Shareholders) or a Depositor proxy form (for Depositors) is enclosed herewith.

2. A Shareholder who is entitled to attend and vote at the SGM may appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder entitled to attend and vote at the SGM who is a holder of two or more shares is entitled to appoint no more than two proxies to attend and vote on his/her behalf. If a Shareholder is the Depository or a clearing house (in each case, as defined in the byelaws of the Company) (or its nominee(s)), the Depository or a clearing house (or its nominee(s)) may appoint more than two proxies to attend and vote at the SGM. A proxy need not be a Shareholder of the Company.

3. A Shareholder (other than The Central Depository (Pte) Limited or a clearing house or its nominee(s)) in Singapore who wishes to appoint a proxy should complete the attached Singapore proxy form. Thereafter, the Singapore proxy form must be lodged at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the SGM.

4. A Shareholder in Hong Kong who wishes to appoint a proxy should complete the attached Hong Kong proxy form. Thereafter, the Hong Kong proxy form must be lodged at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the SGM.

5. A Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore) and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such Depositor is a corporation, should complete the attached Depositor proxy form and lodge the same at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time appointed for the SGM.

6. Where a Shareholder appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or by his/her attorney duly authorised in writing. If a Shareholder or Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer, attorney or other person authorised to sign the same.

8. Completion and return of the Singapore proxy form, the Hong Kong proxy form or the Depositor proxy form will not preclude members or Depositor as the case may be from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should they so wish, and in such event, such proxy form shall be deemed to be revoked.

9. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

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