



RENEWABLE ENERGY ASIA GROUP LIMITED

(Incorporated in Bermuda)
(Company Registration No. 33437)

THE INCREASE IN SHARE CAPITAL OF RENEWABLE ENERGY ASIA (JINHU) SOLAR POWER CO., LTD., RENEWABLE ENERGY ASIA (ZHENGLANQI) CO., LTD., RENEWABLE ENERGY ASIA DA AN CO., LTD. AND RENEWABLE ENERGY ASIA (ZHENLAI) SOLAR POWER CO., LTD.

1 INTRODUCTION

The Board of Directors (the “**Board**”) of Renewable Energy Asia Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that four (4) of its wholly-owned subsidiaries (named below and each a “**Restructured Company**”) have each separately entered into a share subscription agreement (each an “**Agreement**”) (增资扩股协议书) on 25 January 2015 with Renewable Energy Asia (China) Co., Ltd. (“**REAC**”) (亚洲新能源(中国)有限公司), in which REAC will subscribe for new shares (“**New Shares**”) in each of the four (4) Restructured Companies (each a “**Capitalisation**” and collectively, the “**Capitalisations**”).

These Restructured Companies are as follows:-

- (i) Renewable Energy Asia (Jinhu) Solar Power Co., Ltd. (“**REAJH**”) (亚洲新能源(金湖)太阳能发电有限公司);
- (ii) Renewable Energy Asia (Zhenglanqi) Co., Ltd. (“**REAZLQ**”) (亚洲新能源(正蓝旗)有限公司);
- (iii) Renewable Energy Asia Da An Co., Ltd. (“**READA**”) (亚洲新能源大安有限公司); and
- (iv) Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd (“**REAZL**”) (亚洲新能源(镇赉)太阳能发电有限公司).

2 THE CAPITALISATIONS

2.1 The Capitalisations as Interested Person Transactions

The Restructured Companies are indirect, wholly-owned subsidiaries of the Company:-

- (i) REAJH is a company incorporated in the People's Republic of China (“**PRC**”) with a paid-up share capital of RMB25 million and is dormant. The Company owns 100% of the issued and paid-up share capital of REAJH as at 31 March 2014;
- (ii) REAZLQ is a company incorporated in the PRC with a paid-up share capital of RMB6 million and is dormant. The Company owns 100% of the issued and paid-up share capital of REAZLQ as at 31 March 2014;
- (iii) READA is a company incorporated in the PRC with a paid-up share capital of RMB5 million and is dormant. The Company owns 100% of the issued and paid-up share capital of READA as at 31 March 2014; and
- (iv) REAZL is a company incorporated in the PRC with a paid-up share capital of RMB5 million and is dormant. The Company owns 100% of the issued and paid-up share capital of REAZL as at 31 March 2014.

As at the date of the Agreements, Xu Jian has a deemed interest of 89.2% of the issued and paid-up share capital of REAC.

Xu Jian is also the Executive Chairman, Executive Director and controlling shareholder of the Company. Xu Jian is therefore considered an "interested person" pursuant to Chapter 9 of Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, each of the Capitalisations is considered an "interested person transaction" as defined in Chapter 9 of the Catalist Rules.

2.2 Details of the Capitalisations

Pursuant to the completion of the Capitalisations ("**Completion**") (in accordance with the terms and conditions in each of the Agreements) on such date as the parties may mutually agree in writing ("**Completion Date**"), REAC will subscribe for the New Shares and become a new major shareholder in each of the Restructured Companies. Accordingly, each Restructured Company will cease to be a subsidiary of the Company.

In consideration of the issuance of New Shares by each of the Restructured Companies, REAC shall pay RMB41 million, RMB29 million, RMB30 million and RMB30 million in cash to REAJH, REAZLQ, READA and REAZL respectively, on or before 31 December 2015 for REAJH, and on or before 31 December 2016 for each of REAZLQ, READA and REAZL.

The Completion of each Capitalisation is conditional upon, *inter alia*, the approval by shareholders of the Company of the Capitalisation contemplated under each Agreement in an extraordinary general meeting ("**EGM**"), to be convened.

Following the Capitalisations, the new shareholding structures of the Restructured Companies are as follows.

Renewable Energy Asia (Jinhu) Solar Power Co., Ltd

Shareholders	Paid up amount (RMB)	Percentage shareholding	of	Paid-up Date
REAC	41,000,000	62.12%		On or prior to 31 December 2015
Renewable Energy Asia Nantong Co., Ltd	25,000,000	37.88%		Prior to 16 July 2013
Total	66,000,000	100%		

Renewable Energy Asia (Zhenglanqi) Co., Ltd

Shareholders	Paid up amount (RMB)	Percentage shareholding	of	Paid-up Date
REAC	29,000,000	82.86%		On or prior to 31 December 2016
Renewable Energy Asia Nantong Co., Ltd	6,000,000	17.14%		31 May 2010
Total	35,000,000	100%		

Renewable Energy Asia Da An Co., Ltd

Shareholders	Paid up amount (RMB)	Percentage shareholding	of	Paid-up Date
REAC	30,000,000	85.71%		On or prior to 31 December 2016
Renewable Energy Asia Nantong Co., Ltd	5,000,000	14.29%		16 March 2010
Total	35,000,000	100%		

Renewable Energy Asia (Zhenlai) Solar Power Co., Ltd

Shareholders	Paid up amount (RMB)	Percentage of shareholding	Paid-up Date
REAC	30,000,000	85.71%	On or prior to 31 December 2016
Renewable Energy Asia Nantong Co., Ltd	5,000,000	14.29%	25 February 2013
Total	35,000,000	100%	

3 RATIONALE FOR THE CAPITALISATIONS

The Capitalisation of the Restructured Companies is needed to enhance the capital required to fund any future renewable energy projects that the Group may undertake. This is beneficial to the Group as it seeks out such opportunities in China.

4 FINANCIAL EFFECTS

The Capitalisations have no material financial effects on the Company's net tangible assets, losses per share and share capital for the financial year ending 31 March 2015.

5 INDEPENDENT FINANCIAL ADVISER

The Company shall be appointing an independent financial adviser to provide an opinion on whether the Capitalisations are on normal commercial terms and whether it will be prejudicial to the interests of the Company and its minority shareholders ("**IFA Opinion**"). The Audit Committee of the Board of Directors of the Company were not informed of the Agreements prior to their execution by the management of the Company. The Audit Committee has subsequently been informed, reviewed the terms of the Capitalisations in the context of an "interested person transaction" as defined in Chapter 9 of the Catalist Rules and will be obtaining the abovementioned IFA Opinion before forming its view which will be announced in due course.

6 SHAREHOLDERS' APPROVAL

Pursuant to Rule 906 of the Catalist Rules, shareholders' approval must be obtained for any interested person transaction with a value equal to, or more than 5% of the Group's latest audited net tangible assets ("**NTA**"), when aggregated with other transactions entered into with the same interested person during the same financial year.

As the Capitalisations of REAJH, REAZLQ, READA and REAZL amount to RMB41 million, RMB29 million, RMB30 million and RMB30 million respectively and represent 45.1%, 31.9%, 33.0% and 33.0% respectively of the Group's latest audited NTA of RMB91.0 million as at 31 March 2014, each Capitalisation shall be subject to shareholders' approval.

As such, the Company will seek shareholders' approval at an EGM for each of the Capitalisations. A circular to shareholders containing, *inter alia*, the notice of the EGM and the details of the Capitalisations, will be despatched to shareholders in due course. The circular will also contain the advice of the independent financial adviser on the Capitalisations and the recommendations of the independent directors on the Capitalisations.

7 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

As at the date of this Announcement, save for the Capitalisations, the Group has not entered into any other interested person transactions (as defined in Chapter 9 of the Catalist Rules) with Xu Jian and/or his associates during the financial year ending 31 March 2015.

8 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, save as disclosed above, none of the Directors and to the best of the Directors' knowledge, none of the other controlling shareholders of the Company or their

respective associates has any interest, direct or indirect, in the Capitalisations, other than that arising from their respective capacity as Directors or shareholders of the Company.

9 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Capitalisations, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

10 DOCUMENTS FOR INSPECTION

A copy of each of the Agreements is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the business office of the Company 101 Thomson Road, #15-04 United Square, Singapore 307591 for a period of three months commencing from the date of this announcement.

By Order of the Board

Soh Yeow Hwa
Company Secretary
13 February 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, RHT Capital Pte. Ltd. for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is:

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