

ASIA NEW ENERGY HOLDING LIMITED

(Company Number: 5108)
(Incorporated in Samoa)

ASIA POWER CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199701487C

JOINT ANNOUNCEMENT

**PROPOSED VOLUNTARY DELISTING OF
ASIA POWER CORPORATION LIMITED**

1. INTRODUCTION

- 1.1 Asiasons WFG Capital Pte Ltd ("**Asiasons WFG Capital**"), for and on behalf of Asia New Energy Holding Limited (the "**Offeror**"), made a voluntary conditional cash offer on 13 November 2013 (the "**Previous Offer**") to acquire all the issued ordinary shares (the "**Shares**") in the capital of Asia Power Corporation Limited (the "**Company**"), other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by the Offeror.
- 1.2 The Previous Offer was declared to be unconditional in all respects on 22 January 2014. As at the close of the Previous Offer on 11 February 2014, the Offeror owned and controlled in aggregate 416,332,352 Shares, representing approximately 89.36% of the total number of issued Shares.
- 1.3 Following the close of the Previous Offer, the Offeror made various on-market purchases, pursuant to which the Offeror's shareholding interest in the Company increased to 417,093,352 Shares, representing approximately 89.52% of the total number of issued Shares.
- 1.4 The Offeror and the Company now wish to jointly announce that the Offeror has presented to the directors of the Company (the "**Directors**") a formal proposal (the "**Delisting Proposal**") to seek the voluntary delisting (the "**Delisting**") of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST (the "**Listing Manual**").
- 1.5 Under the Delisting Proposal, Asiasons WFG Capital, for and on behalf of the Offeror, will make an exit offer in cash (the "**Exit Offer**"), conditional on the approval of the shareholders of the Company (the "**Shareholders**") for the Delisting being obtained, to acquire all the Shares, other than those Shares held by the Company as treasury shares and those Shares held directly or indirectly by the Offeror as at the date of the Exit Offer (the "**Offer Shares**").
- 1.6 The Directors have reviewed the Delisting Proposal and have resolved to (a) apply to the SGX-ST for the Delisting and (b) convene an extraordinary general meeting of the Company ("**EGM**") to seek the approval of the Shareholders for the Delisting.

2. INFORMATION ON THE COMPANY

- 2.1 The Company was incorporated in Singapore on 7 March 1997 and was listed on the Main Board of the SGX-ST on 9 November 1999. The Company is principally involved in the ownership, management and operation of power plants in the People's Republic of China.

- 2.2 The board of directors of the Company as at the date of this Joint Announcement (the "**Joint Announcement Date**") comprises the following:
- (a) Xue Liang (Executive Chairman and Chief Executive Officer);
 - (b) Wang Daxi (Executive Director);
 - (c) Li Tianfei (Non-Executive Director);
 - (d) Ng Fook Ai, Victor (Non-Executive and Independent Director);
 - (e) Joseph He Jun (Non-Executive and Independent Director); and
 - (f) Xu Jianping (Non-Executive and Independent Director).
- 2.3 As at the Joint Announcement Date, the Company has a total of 465,922,022 Shares.

3. **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated under the laws of Samoa on 1 March 1999. As at the Joint Announcement Date, the Offeror has an issued and paid-up capital of US\$1,434,900 consisting of 1,434,900 ordinary shares. As at the Joint Announcement Date, the sole Director is Ms Lu Di who is also the sole shareholder of the Offeror.

4. **THE DELISTING PROPOSAL**

4.1. **Exit Offer Price**

The offer price for each Offer Share will be S\$0.16 in cash (the "**Exit Offer Price**"). The Exit Offer Price is the same as the offer price under the Previous Offer.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

Each Shareholder who accepts the Exit Offer will receive S\$160 for every 1,000 Offer Shares tendered for acceptance under the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

Further details on the Exit Offer will be set out in the exit offer letter (the "**Exit Offer Letter**") to be issued by the Offeror to the Shareholders containing, *inter alia*, the terms of the Exit Offer and the Delisting Exit Offer Form of Acceptance and Authorisation and the Delisting Exit Offer Form of Acceptance and Transfer (collectively, the "**Acceptance Forms**").

4.2. Conditions

The Delisting and the Exit Offer will be conditional on:

- (a) the resolution to delist the Company (the "**Delisting Resolution**") being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and
- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM,

(the "**Approval of Delisting Resolution Condition**").

The Exit Offer will **not** be conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307 of the Listing Manual, all Shareholders (including the Offeror and parties acting in concert with the Offeror who hold Shares) are entitled to vote on the Delisting Resolution. Accordingly, the Offeror is entitled to and intends to vote all its Shares in favour of the Delisting Resolution at the EGM.

4.3. Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional and if the Approval of Delisting Resolution Condition is not satisfied, the condition to the Exit Offer will not be fulfilled and the Exit Offer will lapse.

4.4. Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

5. **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

An application was made by the Offeror to the Securities Industry Council (the "**SIC**") to seek clarification regarding the extent to which the provisions of the Singapore Code on Take-overs and Mergers (the "**Code**") applied to the Exit Offer. The SIC has ruled, *inter alia*, that:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Code:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
 - (ii) Rule 22 on offer timetable;
 - (iii) Rule 28 on acceptances; and

- (iv) Rule 29 on the right of acceptors to withdraw their acceptances; and
- (b) subject to the following conditions:
 - (i) disclosure in the delisting circular to the Shareholders (the "**Delisting Circular**") of:
 - (A) the consolidated net tangible assets value ("**NTA**") per share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Delisting Circular; and
 - (B) particulars of all known material changes as at the latest practicable date set out in the Delisting Circular which may affect the NTA per Share referred to in paragraph 5(b)(i)(A) above or a statement that there are no such known material changes; and
 - (ii) the Exit Offer being kept open for at least:
 - (A) 21 days after the date of the despatch of the Exit Offer Letter, if the Exit Offer Letter is despatched after Shareholder approval for the Delisting has been obtained; or
 - (B) 14 days after the date of the announcement of Shareholder approval of the Delisting if the Exit Offer Letter is despatched on the same date as the Delisting Circular.

6. LISTING MANUAL PROVISIONS PERTAINING TO A VOLUNTARY DELISTING

- 6.1 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:
- (a) the Company convenes an EGM to obtain Shareholder approval for the Delisting;
 - (b) the Delisting Resolution has been approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and
 - (c) the Delisting Resolution has not been voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM.
- 6.2 In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:
- (a) a reasonable exit alternative, which should normally be in cash, should be offered to all Shareholders; and
 - (b) the Company should normally appoint an independent financial adviser ("**IFA**") to advise on the Exit Offer.

7. RATIONALE FOR DELISTING

7.1 Low Trading Liquidity and Low Free Float

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the 12-month, six (6)-month, three (3)-month and one (1)-month periods up to and including 21 March 2014, being the last full day of trading in the Shares on the SGX-ST immediately prior to the Joint Announcement Date (the "**Last Trading Day**") are approximately as follows:

Period prior to the Joint Announcement Date	Average Daily Trading Volume⁽¹⁾⁽²⁾ ('000)	Total Trading Volume ('000)
Last 12 months	229	57,705
Last six (6) months	261	32,948
Last three (3) months	87	5,424
Last one (1) month	16	313 ⁽³⁾

Notes:

- (1) Source: Bloomberg L.P.
- (2) The average daily trading volume is computed based on the total trading volume of the Shares on the SGX-ST, divided by the total number of days on which the SGX-ST is open for trading during the relevant periods.
- (3) Of which 283,000 Shares were market acquisition made by the Offeror.

In addition, as at the Joint Announcement Date, the Offeror already owns 417,093,352 Shares representing approximately 89.52% of the total number of issued Shares. This implies a free float of no greater than 10.48% of the total number of issued Shares. The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.

The Exit Offer will provide an exit option for those Shareholders who wish to realise their entire investment in the Shares but find it difficult to do so as a result of the low trading liquidity of the Shares and low free float of the Shares.

7.2 Compliance Costs of Maintaining Listing

In maintaining the Company's listing status, the Company incurs additional compliance and associated costs. The Company will be able to, as a non-listed entity, dispense with costs associated with complying with the SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance and channel its resources to its business operations.

7.3 No Need for Access to Capital Markets

A primary reason for companies to maintain a listing on the SGX-ST is to access the Singapore capital markets for funding. The Company is unlikely to require access to the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain its listing status.

7.4 Offeror's Intention

Following the privatisation of the Company, the Offeror intends to undertake a strategic and operational review of the Company's businesses and to evaluate various strategic options, including amongst others, making synergistic acquisition and divesting assets. It is currently

the intention of the Offeror to ensure continuity in the operations of the Company and its subsidiaries ("**Group**") and to steer the Group to further growth and development. Save as disclosed above, the Offeror does not currently have any intention to make major changes to (a) the business of the Group; (b) the deployment of the fixed assets of the Group; or (c) the employment of the employees of the Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which the Offeror regards to be in the interests of the Offeror and/or the Group.

8. BENCHMARKING OF THE EXIT OFFER

Market Price Comparisons

The Exit Offer Price represents the following premium over the historical transacted prices of the Shares on the SGX-ST:

	Description	Share Price (S\$) ⁽¹⁾	Premium over Share Price (%)
(i)	Last transacted price per Share on 21 March 2014 (being the Last Trading Day)	0.1600	-
(ii)	Volume weighted average price (" VWAP ") for the one (1)-month period up to and including the Last Trading Day	0.1581	1.20
(iii)	VWAP for the three (3)-month period up to and including the Last Trading Day	0.1567	2.11
(iv)	VWAP for the six (6)-month period up to and including the Last Trading Day	0.1548	3.36
(v)	VWAP for the 12-month period up to and including the Last Trading Day	0.1223	30.83

Note:

(1) Source: Bloomberg L.P.

9. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**"), in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

The Offeror intends to make the Company its wholly-owned subsidiary. **Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.**

In addition, Shareholders who have not accepted the Exit Offer will have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares). Such Shareholders who wish to exercise such a right should seek their own independent legal advice.

10. CONFIRMATION OF FINANCIAL RESOURCES

Asiasons WFG Capital, being the financial adviser of the Offeror in connection with the Exit Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Exit Offer by the holders of the Offer Shares.

11. DISCLOSURES

11.1 As at the Joint Announcement Date, the Offeror owns and control 417,093,352 Shares representing approximately 89.52% of the total number of issued Shares. Save as disclosed above, as at the Joint Announcement Date, none of (a) the Offeror, (b) the director of the Offeror and (c) Asiasons WFG Capital (excluding any other members of the Asiasons Group) (collectively, the "**Relevant Persons**" and each, a "**Relevant Person**"):

- (a) owns, controls or has agreed to acquire any:
 - (i) Shares;
 - (ii) securities which carry voting rights in the Company; or
 - (iii) convertible securities, warrants, options and derivatives in respect of such Shares or securities,(collectively, the "**Relevant Securities**");
- (b) has received any irrevocable undertaking from any party to accept or reject the Exit Offer;
- (c) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer; and
- (d) has:
 - (i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
 - (ii) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or
 - (iii) lent any Relevant Securities to another person.

For the purposes of this Announcement, "**Asiasons Group**" refers to Asiasons Capital Limited, its subsidiaries and associated companies.

11.2 In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Exit Offer. Similarly, Asiasons WFG Capital has also not made any enquiries in respect of its subsidiaries and associate companies and their respective directors. Further enquiries will be made of such persons by the Offeror and Asiasons WFG Capital and the relevant disclosures will be made in the Exit Offer Letter.

12. OVERSEAS SHAREHOLDERS

This Joint Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Joint Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the Acceptance Forms, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted. **For the avoidance of doubt, the Exit Offer is open to all Shareholders holding Offer Shares, including those to whom the Exit Offer Letter and Acceptance Forms may not be sent.**

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the applicable law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

The Offeror and/or the Company reserves the right to notify any matter, including the fact that the Exit Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

13. FURTHER INFORMATION

No immediate action is required of Shareholders on their part in respect of the Delisting Proposal and the Exit Offer.

The Company will be appointing an IFA to advise the Directors who are considered independent for the purposes of the Delisting Proposal and the Exit Offer (the "**Independent Directors**"), on the Exit Offer.

The Delisting Circular will be despatched by the Company to the Shareholders in due course. The Delisting Circular shall include, *inter alia*, further information regarding the Delisting

Proposal, the terms and conditions of the Exit Offer, the advice of the IFA and the recommendation of the Independent Directors regarding the Exit Offer, and a notice of the EGM. The Exit Offer Letter, together with the Acceptance Forms, is expected to be despatched by or on behalf of the Offeror to the Shareholders on the same day as the Delisting Circular.

In the meantime, Shareholders are advised to exercise caution in their dealings in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. **Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

14. RESPONSIBILITY STATEMENTS

The director of the Offeror (who may have delegated detailed supervision of this Joint Announcement) has taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement (other than those relating to the Company) misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the director of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The director of the Offeror accepts full responsibility accordingly.

The Directors (including any Director who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to the Offeror and parties acting in concert with it) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement (other than those relating to the Offeror and parties acting in concert with it) misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The Directors jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
ASIA NEW ENERGY HOLDING LIMITED

Lu Di
Director

BY ORDER OF THE BOARD
ASIA POWER CORPORATION LIMITED

Xue Liang
Executive Chairman and Chief Executive Officer

24 March 2014

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company should not place undue reliance on such forward-

looking statements, and none of the Company and/or the Offeror undertakes any obligation to update publicly or revise any forward-looking statements.

Disclosure of Dealings

The associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company in accordance with Rule 12 of the Code.