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

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)

(Singapore Stock Code: UQ7)

PLACING OF UNLISTED WARRANTS UNDER SPECIFIC MANDATE

Placing Agent

金利豐證券
KINGSTON SECURITIES

THE PLACING

On 9 December 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent as its agent to place, or procure the placing of up to 900,000,000 Warrants to currently expected to be not fewer than six Placees, on a best efforts basis, at an issue price of HK$0.01 per Warrant.

The Warrants will entitle the holders thereof to subscribe for an aggregate of 900,000,000 Warrant Shares at the Exercise Price of HK$0.45 per Warrant Share (subject to adjustment upon the occurrence of any of the Adjustment Events). Each Warrant carries the right to subscribe for one (1) Warrant Share subject to the condition that the minimum number of Warrants to be exercised upon the subscription rights attached to the Warrants each time shall not be less than 1,000,000 Warrant Shares (or an integral multiple thereof).

The subscription rights will be exercisable within twelve (12) months from the date of the issue of the Warrants. The aggregate number of the Warrant Shares to be issued will be 900,000,000 Shares, representing approximately 19.58% of the issued share capital of the Company as at the date of this announcement and approximately 16.37% of the issued share capital of the Company as enlarged by the allotment and issue of such Shares.

Completion is conditional upon the fulfillment of the conditions as set out in the section headed "Conditions of the Placing" in this announcement.

The Company will seek a Specific Mandate from the Shareholders for the allotment and issue of the Warrant Shares. In this regard, the SGM will be convened and held to pass the necessary resolutions to approve the Placing Agreement and the transactions contemplated thereunder.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

GENERAL

The SGM will be convened and held, amongst others, for the purpose of considering and, if thought fit, approving the issue of the Warrants and the grant of the Specific Mandate to issue the Warrant Shares. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transaction contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the grant of the Specific Mandate.

A circular containing, among other matters, further details of the Placing and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders of the Company and investors should be aware of and take note that the Completion is conditional upon satisfaction of certain conditions precedent under the Placing Agreement. As the Placing may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE PLACING AGREEMENT

Date

9 December 2014 (after trading hours)

Parties

Issuer	:	The Company
Placing Agent	:	Kingston Securities Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

The Placees

Under the Placing Agreement, the Warrants will be placed, on a best efforts basis, to currently expected to be not fewer than six Placees who shall be independent professional, institutional and/or other investors or any of their respective subsidiaries or associates and that each of the Placees to be procured by the Placing Agent and its ultimate beneficial owner(s) will be an Independent Third Party.

Number of Warrants

A total of 900,000,000 Warrants conferring the rights to subscribe for 900,000,000 Warrant Shares, subject to adjustment upon the occurrence of any of the Adjustment Events.

Upon exercise in full of the subscription rights attaching to the 900,000,000 Warrants at the Exercise Price of HK$0.45 per Warrant, a maximum of 900,000,000 Warrant Shares will be allotted and issued, representing approximately 19.58% of the existing issued share capital of the Company as at the date of this announcement, and approximately 16.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares.

Issue Price

The Issue Price is HK$0.01 per Warrant. The maximum gross proceeds receivable from the Placing is approximately HK$9,000,000 and will be satisfied by payment of cash at Completion.

Exercise Price

The Exercise Price of HK$0.45 per Warrant Share, subject to adjustment upon the occurrence of any of the Adjustment Events, represents:

(i) a premium of approximately 18.4% over the closing price of HK$0.380 per Share as quoted on the Stock Exchange on 9 December 2014, being the date of the Placing Agreement;

(ii) a premium of approximately 17.5% over the average closing price of HK$0.383 per Share as quoted on the Stock Exchange for the last five consecutive trading days for the Shares up to and including the date of the Placing Agreement; and

(iii) a premium of approximately 13.1% over the average closing price of HK$0.398 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Placing Agreement.

The aggregate of the Issue Price of HK$0.01 per Warrant and the Exercise Price of HK$0.45 per Warrant Share, i.e. approximately HK$0.46, represents:

(i) a premium of approximately 21.1% over the closing price of HK$0.380 per Share as quoted on the Stock Exchange on 9 December 2014, being the date of the Placing Agreement;

(ii) a premium of approximately 20.1% over the average closing price of HK$0.383 per Share as quoted on the Stock Exchange for the last five consecutive trading days for the Shares up to and including the date of the Placing Agreement; and

(iii) a premium of approximately 15.6% over the average closing price of HK$0.398 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Placing Agreement.

Both the Issue Price and the Exercise Price were determined after arm's length negotiations between the Company and the Placing Agent, after considering the Group's existing financial position, liquidity of the Shares in the market, and the prevailing market price of the Shares. The Directors hold the view that each of the Issue Price and the Exercise Price and the terms of the Warrants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the full exercise of the subscription rights attaching to the Warrants at the Exercise Price, it is expected that approximately HK$405,000,000 will be raised and satisfied by payment of cash.

Exercise Period

The subscription rights attaching to the Warrants may be exercised at any time within twelve (12) months commencing from the date of issue of the Warrants, which is expected to be on the Completion Date. Upon expiry of the Exercise Period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

Completion

Completion shall take place on the Completion Date, which shall be within four Business Days after the fulfilment of the conditions set out in the section headed "Conditions of the Placing" in this announcement, or such other date as the Company and the Placing Agent may agree in writing prior to Completion.

Information of the Warrants

The Warrants will be constituted by way of deed poll to be executed by the Company. The Warrants will rank pari passu in all respects among themselves.

The Warrants will be issued upon Completion in registered form. A Warrant certificate will be issued to the holder of the Warrants.

Each Warrant carries the right to subscribe for one (1) Warrant Share, subject to the condition that the minimum number of Warrants to be exercised upon the subscription rights attached to the Warrants each time shall not be less than 1,000,000 Warrant Shares (or an integral multiple thereof).

The Warrant Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue except that they will not be entitled to any rights for which the record date of the said rights precedes the date of the holders' name being registered in the register of members of the Company.

Transferability

The Warrants can be freely transferred in integral multiples of 1,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the Listing Rules) of the Company, prior approval from the Company and, if required, the Stock Exchange will be obtained. The Company undertakes to comply with the relevant Listing Rules and to make necessary announcement(s), where appropriate, if and when any of the Placees makes any transfer of the Warrants to other parties requiring disclosure under the Listing Rules.

Conditions of the Placing

Completion of the Placing is conditional upon:

(i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in all of the Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants unconditionally or with such conditions which the Company does not object and the satisfaction of such conditions;

(ii) the passing of resolution(s) by the shareholders of the Company to approve the Placing Agreement and the transactions contemplated hereunder, including the grant of the Specific Mandate for the allotment and issue of the Warrant Shares, at the SGM; and

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

If any of the above conditions are not satisfied and/or waived at or before 5:00 p.m. on the 30th day after the date of SGM or such later time or date as may be agreed between the Company and the Placing Agent in writing, the Placing Agreement will be terminated and the Placing will not proceed and all obligations and liabilities of the parties under the Placing Agreement will forthwith cease and determine and no party will have any claim against the others, save for any antecedent breach of any obligation under the Placing Agreement.

Voting rights for the holders of the Warrants

The holder of the Warrants shall not be entitled to attend or vote at any general meetings of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled to, at any time up to the close of business on the second Business Day before the special general meeting convened for the purpose of passing the necessary resolutions to approve the winding-up, to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

Placing commission

The Placing Agent will receive a placing commission of 2.5% of the aggregate amount equal to the Issue Price multiplied by the actual number of the Warrants being placed, which is arrived at after arm's length negotiations between the parties to the Placing Agreement taking into account the prevailing market conditions. The Directors are of the view that the placing commission is fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

Specific Mandate

The Company will seek the Specific Mandate from the Shareholders for the allotment and issue of the Warrant Shares. In this regard, the SGM will be convened and held to, amongst others, pass the necessary resolutions to approve the Placing Agreement and the transactions contemplated thereunder.

The Warrant Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants will be allotted and issued under the Specific Mandate.

REASONS FOR AND BENEFITS OF THE PLACING

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.

The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers. The Board holds the view that the Placing is a more appropriate means of fund raising for the Company as it does not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that would be raised upon Completion, further proceeds would be raised upon exercise of the subscription rights attaching to the Warrants. The Board holds the view that the Placing and the issue of the Warrant Share provide opportunities for the Group to strengthen the Group's capital base and financial position to better equip the Group with the financial flexibility for development of the existing business or any other new business of the Group.

The Directors hold the view that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming that the maximum amount of the Warrants are placed with the Placee(s), the gross proceeds and the net proceeds derived from the issue of the Warrants, which are estimated to be HK$9,000,000 and approximately HK$8,400,000 (with a net issue price of approximately HK$0.0093 per Warrant), respectively, are intended to be used as general working capital of the Group.

Assuming the full exercise of the subscription rights attaching to the Warrants at the Exercise Price, it is expected that an additional gross amount of HK$405,000,000 will be raised. The net proceeds (after deduction of all related expenses) of approximately HK$404,400,000 (with a net subscription price of approximately HK$0.449 per Warrant Share) will be applied for financing the expansion of natural gas business of the Company and as general working capital of the Group.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The following are the equity fund raising activities conducted by the Group in the past twelve months immediately preceding the date of this announcement:

Date of announcements	Event	Net Proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
30 September 2014	Placing of convertible bonds	Approximately HK$48,000,000	Intended to be used for financing the expansion of natural gas business of the Company and as general working capital	HK$40.7 million used for expansion of natural gas business of the Company and HK$7.3 million used for general working capital
18 December 2013, 28 January 2014	Placing of 40,018,000 new Shares	Approximately HK$101,650,000	Intended to be used for potential acquisition activities and general working capital	HK$91.9 million used for potential acquisition activities and HK$9.8 million used for general working capital

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has an authorised share capital of HK$5,005,000,000 divided into 91,000,000,000 Shares of HK$0.055 each, of which 4,596,317,730 Shares have been issued and are fully-paid.

For illustration purpose only, the shareholding structure of the Company as at the date of this announcement and immediately after the full exercise of the subscription rights attaching to the Warrants are as follows:

Shareholders	**As at the date of this announcement**		**Immediately after the full exercise of the subscription rights attaching to the Warrants**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
The Placees	—	—	900,000,000	16.37
Substantial Shareholder				
Lee Tsz Hang *(Note 1)*	612,093,000	13.32	612,093,000	11.14
Directors' Interests				
Cheng Ming Kit *(Note 2)*	275,740,000	6.00	275,740,000	5.02
China Print Power Limited *(Note 3)*	196,488,480	4.27	196,488,480	3.57
Sze Chun Lee *(Note 3)*	1,800,000	0.04	1,800,000	0.03
Chung Oi Ling, Stella *(Note 4)*	206,340,000	4.49	206,340,000	3.75
Kwok Shek San *(Note 5)*	7,800,000	0.17	7,800,000	0.14
Public Shareholders	3,296,056,250	71.71	3,296,056,250	59.98
Total	4,596,317,730	100.00	5,496,317,730	100.00

Notes:

1. Mr. Lee Tsz Hang holds 100% interest in Win Ways Investment Limited and is deemed interested in 356,720,000 Shares held by Win Ways Investment Limited. Mr. Lee Tsz Hang personally holds 255,373,000 Shares.

2. Mr. Cheng Ming Kit (an executive Director) holds 100% interest in Grand Powerful Group Limited and is deemed to be interested in 260,940,000 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 14,800,000 Shares.

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

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

5. Mr. Kwok Shek San is an executive Director and personally holds 7,800,000 Shares.

6. Assuming that the shareholding structure of the Company has not changed after the date of this announcement and immediately upon Completion and before full exercise of the subscription rights attaching to the Warrants.

ISSUE OF WARRANTS

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement and except for the outstanding options granted by the Company pursuant to the share option scheme currently in force and adopted by the Company on 26 May 2011, the Company did not have other securities with subscription rights outstanding and not yet exercised and which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules.

Assuming full exercise of the subscription rights attaching to the Warrants, 900,000,000 Warrant Shares (representing approximately 19.58% of the existing issued share capital of the Company) will be issued. Accordingly, the issue of the Warrants would be in compliance with Rule 15.02(1) of the Listing Rules.

GENERAL

The SGM will be convened and held for the purpose of, amongst others, considering and, if thought fit, approving the issue of the Warrants and the grant of the Specific Mandate to issue the Warrant Shares. To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the SGM in respect of the resolution(s) relating to the Specific Mandate.

A circular containing, among other matters, further details of the Placing and a notice to convene the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders of the Company and investors should be aware of and take note that the Completion is conditional upon satisfaction of certain conditions precedent under the Placing Agreement. As the Placing may or may not proceed. Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

"Adjustment Events"	(1) alteration to the nominal amount of each of the Shares by reason of any subdivision or consolidation of Share; (2) issue of Shares by way of capitalisation of profits or reserves; (3) capital distribution to all Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries; (4) offer to the Shareholders new Shares for subscription by way of rights; or grant of any options or warrants to all Shareholders to subscribe for new Shares, at a price which is less than 80% of the market price; (5) issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares at less than 80% of the market price; (6) issue for cash any Shares at a price which is less than 80% of the market price; or (7) the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company. The Company shall not allow any adjustment event if such would render the Exercise Price of the Warrants falling below the nominal value of the Shares. Every adjustment to the Subscription Price will be certified either by the auditors of the Company or an independent merchant bank or other financial institution as selected by the Company.
"associates"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than Saturday or a day on which the tropical cyclone warning signal numbered 8 or black rainstorm warning is hoisted or in force at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for general banking business

"Company"	Blue Sky Power Holdings Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are primary listed on the main board of the Stock Exchange and secondary listed on the Singapore Exchange Securities Trading Limited
"Completion"	completion of the Placing
"Completion Date"	within four Business Days after the date of the conditions of the Placing are fulfilled or such later date as the Placing Agent and the Company may agree
"Directors"	the Directors of the Company
"Exercise Period"	a period of twelve (12) months commencing from the date of the issue of the Warrants
"Exercise Price"	HK$0.45 (subject to adjustment upon the occurrence of any of the Adjustment Events), being the exercise price per Warrant Share at which the holder of each Warrant may subscribe for the Warrant Shares
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and its connected persons
"Instrument"	the deed poll constituting the Warrants to be executed by the Company upon Completion
"Issue Price"	HK$0.01 per Warrant to be issued pursuant to the Placing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Placee(s)"	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Warrants
"Placing"	the offer by way of a private placing of the Warrants in registered form to selected independent professional, institutional and other investors on the terms and subject to the conditions set out in the Placing Agreement and the Instrument

"Placing Agent"	Kingston Securities Limited, a licensed corporation to carry out type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Placing Agreement"	the placing agreement for the Placing dated 9 December 2014 entered into between the Company and the Placing Agent
"SGM"	a special general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the Placing Agreement and the transactions contemplated thereunder, and the grant of the Specific Mandate
"Share(s)"	ordinary share(s) of HK$0.055 each in the share capital of the Company
"Shareholder(s)"	registered holder(s) of the issued Share(s)
"Specific Mandate"	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders to satisfy the allotment and issue of the Warrant Shares upon the exercise of the subscription rights attaching to the Warrants
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Warrant(s)"	a total of 900,000,000 unlisted transferable warrants to be issued by the Company at the Issue Price of HK$0.01, each in registered form conferring rights entitling its holder(s) to subscribe for up to HK$405,000,000 in aggregate in cash for 900,000,000 Warrant Shares at the Exercise Price
"Warrant Share(s)"	up to 900,000,000 new Shares (subject to adjustment upon the occurrence of any of the Adjustment Events) to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Warrants
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

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

Hong Kong, 9 December 2014

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ming Kit, Mr. Sze Chun Lee, Mr. Hung Tao, and Mr. Kwok Shek San; 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.