Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities 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)

DISCLOSEABLE TRANSACTION

IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ENERGY SHELL LIMITED

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 10 August 2015 (after trading hours), the Company, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Share at the Consideration of HK$158,000,000, of which HK$17,500,000 shall be satisfied by cash, HK$40,000,000 shall be satisfied by the Promissory Note and the balance of HK$100,500,000 shall be satisfied by the allotment and issue of 251,250,000 Consideration Shares at the Issue Price.

The Consideration Shares will be issued pursuant to the General Mandate. An application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

The Sale Share represents the entire issued share capital of the Target, which holds the entire equity interest of the Target Subsidiaries which are principally engaged in (i) the transportation of CNG and LNG; (ii) the wholesales of CNG and LNG; and (iii) the operation of the L-CNG refueling station in Shandong province in the PRC.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As 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 requirements under Chapter 14 of the Listing Rules.

As Completion is subject to the fulfillment of a number of conditions precedent, the Proposed Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

The Board is pleased to announce that on 10 August 2015 (after trading hours), the Company, the Purchaser and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Share for the Consideration of HK$158,000,000, to be settled by a combination of cash, the Promissory Note and the allotment and issue of Consideration Shares.

Set out below are the major terms of the Acquisition Agreement.

THE ACQUISITION AGREEMENT

Date

10 August 2015

Parties

(i) the Company;

(ii) the Purchaser and

(iii) the Vendor.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Share, representing the entire issued share capital of the Target.

The Target holds the entire equity interest of the Target Subsidiaries which are principally engaged in (i) the transportation of CNG and LNG; (ii) the wholesales of CNG and LNG; and (iii) the operation of the L-CNG refueling station in Shandong province in the PRC.

Consideration

Pursuant to the Acquisition Agreement, the Consideration shall be HK$158,000,000, of which

(a) HK$17,500,000 shall be satisfied by cash;

(b) HK$40,000,000 shall be satisfied by the Promissory Note; and

(c) the balance of HK$100,500,000 shall be satisfied by the allotment and issue of 251,250,000 Consideration Shares at the Issue Price.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, having regards to the financial position and the prospects and potential of the business of the Target Group.

The number of Consideration Shares to be allotted and issued to the Vendor is calculated by dividing HK$100,500,000 (being the Consideration Shares component of the Consideration) with the Issue Price. The Issue Price per Consideration Share is determined with reference to the prevailing market price of the Shares.

The Issue Price represents:

(i) a premium of approximately 5.26% to the closing price of HK$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 8.40% to the average closing price of HK$0.369 per Share as quoted on the Stock Exchange in the last five consecutive trading days up to and including the Last Trading Day; and

(iii) a premium of approximately 7.82% to the average closing price of HK$0.371 per Share as quoted on the Stock Exchange in the last ten consecutive trading days up to and including the Last Trading Day.

Consideration Shares

The Consideration Shares represent (i) approximately 4.82% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.60% of the enlarged issued share capital of the Company.

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.

The Consideration Shares shall be allotted and issued under the General Mandate. Application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares.

Conditions precedent

Completion is subject to the following Conditions being fulfilled and/or waived (as the case may be):

(a) the Reorganisation having been completed, Shenzhen Changyiyou having been registered as the holder of the entire equity interest of Tai'an Transportation (which holds the entire equity interest of Shunchi Gas) by the relevant PRC authorities and satisfactory evidence to this effect having been delivered to the Purchaser;

(b) the Acquisition Agreement and the transaction contemplated thereunder having been approved by the Board and the board of directors of the Purchaser respectively;

(c) to the extent required by the Listing Rules, the approval of the Acquisition Agreement and the transaction contemplated thereunder by the Shareholders having been obtained;

(d) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares (either unconditionally or subject only to conditions to which the Purchaser have no reasonable objection);

(e) the Vendor having delivered to the Purchaser (i) a registered agent certificate with respect to the Target issued by the registered agent of the Target in the BVI; and (ii) a certificate of good standing with respect to the Target issued by the Registrar of Corporate Affairs of the BVI, both of which to be dated no more than two weeks before the date of Completion;

(f) the warranties given by the Vendor under the Acquisition Agreement not being untrue, inaccurate or misleading as at Completion by reference to the facts and circumstances subsisting at that date;

(g) the Purchaser being satisfied with the results of its legal and financial due diligence in respect of the Target Group and the Sale Share, and having notified the Vendor in writing;

(h) there not having occurred, in the sole opinion of the Purchaser and to its satisfaction only, a Material Adverse Change;

(i) all necessary waivers, consents and approvals being granted by third parties (including any governmental authority) to implement the transaction contemplated under the Acquisition Agreement; and

(j) no statute, regulation or decision which would prohibit, restrict or materially delay the transaction contemplated under the Acquisition Agreement having been proposed, enacted or taken by any governmental authority.

The Purchaser may waive, in part or in full, all or any of the Conditions set out in paragraphs (e) to (j) above by written notice to the Vendor any time before Completion.

Post-Completion Undertakings

Subject to there being no material adverse change to the general condition of the CNG and LNG markets in the PRC since the Completion Date arising from circumstances beyond the control of the Vendor, the Vendor further undertakes to the Company and the Purchaser that the Vendor shall on a best endeavors basis procure the following:

(a) the major customers of the Target Group to continue their respective business relationships with the Target Group for at least three (3) years from the Completion Date;

(b) the current supplier of the Target Group to continue a stable supply of CNG to the Target Group at a price no higher than the prevailing market price for at least three (3) years from the Completion Date; and

(c) the average monthly consolidated revenue of the Target Group for the period between 1 July 2015 to 31 December 2016 to be the same or higher than the average monthly revenue for the period between 1 January 2014 to 30 June 2015.

Termination

If any of the Conditions has not been fulfilled (or waived) on or before the Long Stop Date, the Acquisition Agreement (other than the provisions in the Acquisition Agreement which are specifically identified to survive termination, including but not limited to provisions relating to confidentiality, costs and notices) shall automatically terminate, and no party to the Acquisition Agreement shall have any claim against the other party, save in respect of claims arising out of any antecedent breach of the Acquisition Agreement.

Completion

Subject to the fulfilment and/or waiver of the Conditions described above, Completion shall take place on the Completion Date.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial statements of the Group.

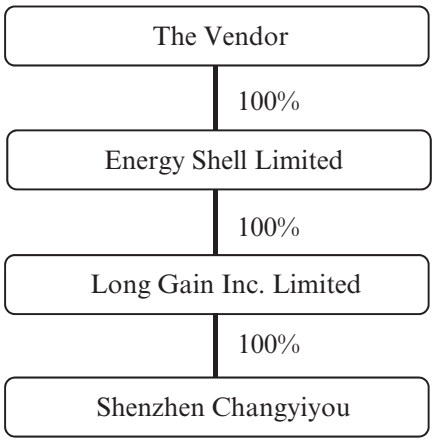
INFORMATION ON THE TARGET

The Target

The Target was incorporated in the BVI with limited liability on 2 July 2015. The issued share capital of the Target as at the date of the Acquisition Agreement was US$1.00. The principal asset of the Target is the entire equity interest in the Target Subsidiaries.

To the best knowledge of the Company, after making reasonable enquiry, the Target is an investment holding company and does not engage in any business activities.

As at the date of this announcement, the shareholding structure of the Target is as follow:



The Reorganisation

Under the Acquisition Agreement, the completion of the Reorganisation is one of the Conditions.

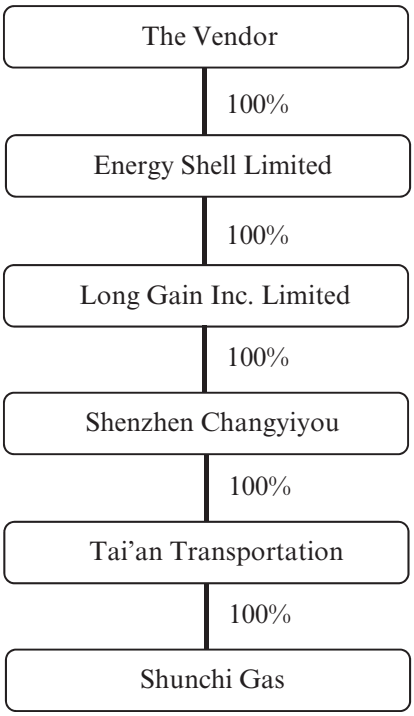
The Reorganization involves Shenzhen Changyiyou, an indirect wholly-owned subsidiary of the Target, acquiring the entire equity interest of Tai'an Transportation, which holds the entire equity interest of Shunchi Gas.

Upon the completion of the Reorganisation, the Target through Shenzhen Changyiyou, will have an effective interest of 100% in Tai'an Transportation and Shunchi Gas, respectively.

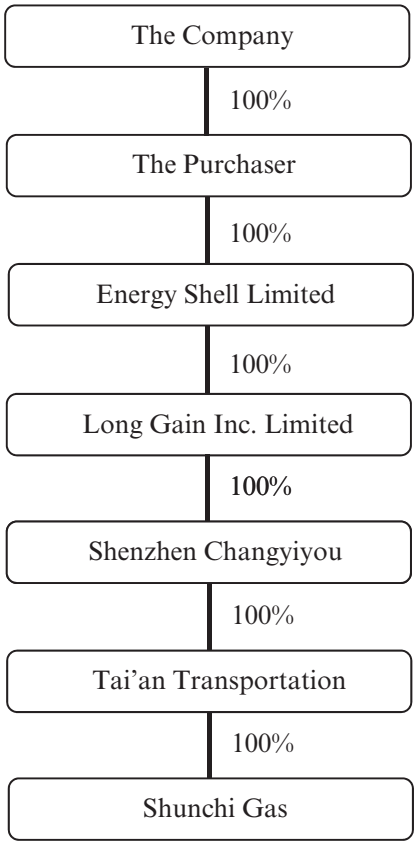
Shareholding Structure of the Target

Set out below is the shareholding structure of the Target immediately upon the completion of the Reorganisation and immediately after the Completion:

(i) Immediately upon the completion of the Reorganisation:



(ii) Immediately after the Completion:



Financial Information on the Target

Set out below is the unaudited financial information of the Target provided by the Vendor for the two financial years immediately preceding the date of the Acquisition Agreement. It recorded a net asset value of RMB16,243,000 as at 31 December 2014:

	For the year ended 31 December 2013 (Unaudited) *RMB'000*	**For the year ended 31 December 2014 (Unaudited)** *RMB'000*
Turnover	18,408	30,171
Profit before taxation	1,142	428
Profit after taxation	1,115	294

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

Upon the completion of the Reorganisation, the Target indirectly holds the entire equity interest of Tai'an Transportation and Shunchi Gas, both of which are companies established under the laws of the PRC.

Tai'an Transportation is principally engaged in the transportation of CNG and LNG in the Shandong province. It was granted the Dangerous Chemicals Road Transportation Permit (危險化學品道路運輸許可證) and it currently owns 41 vehicles for CNG and/or LNG

transportation. Tai'an Transportation has developed stable long term working relationship with some of its major customers, which include Kunlun Energy Company Limited and ENN Energy Holdings Limited.

Shunchi Gas is principally engaged in the wholesales of CNG and LNG and the operation of a L-CNG refuelling station in Tengzhou in Shandong province which is located within a short distance from the city centre of Tengzhou. Major customers of the gas refuelling station include public transportation companies and passing heavy trucks as well as taxis, private cars and public motor buses that run on CNG and LNG.

The Board considers that the Proposed Acquisition represents a good potential investment for the Group, after taking into account the following:

(i) As disclosed in the annual report of the Company for the year ended 31 December 2014, the Company is exploring the opportunities to identify certain overseas LNG sources with competitive pricing, which will allow the Group to venture into CNG and LNG trading business in the PRC. The Proposed Acquisition will enable the Group to realise its development plan and readily tap into the LNG trading business in the Shandong province. The CNG and LNG transportation fleet currently owned by the Target Group can allow the Company to have its own logistics solutions in conducting CNG and LNG trading business, which usually requires the transportation of CNG and LNG from the gas sources to the customers; and

(ii) The Group currently owned certain LNG and CNG refueling stations in Yucheng and Jinan of Shandong province. The Proposed Acquisition provides an opportunity for the Group to expand its market share in the natural gas industry in Shandong province and offers synergy in the area of gas procurement, distribution channels and management of daily operation of the refueling stations.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in Bermuda with limited liability. The principal activity of the Company is investment holding and its subsidiaries are 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 Purchaser

The Purchaser is a company incorporated in BVI with limited liability. The principal activity of the Purchaser is investment holding.

The Vendor

The Vendor is Ms. ZHENG Xiuzhu (鄭秀珠), a PRC citizen who, to the best of the Director's knowledge, information and belief and having made all reasonable enquiries, is an Independent Third Party.

SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares, assuming there is no other changes in the shareholding structure of the Company after the date of this announcement:

		As at the date of this announcement		**Immediately after the allotment and issue of the Consideration Shares at the Issue Price**	
	Notes	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
Directors					
Cheng Ming Kit	1	645,169,000	12.38	645,169,000	11.82
Sze Chun Lee	2	198,288,480	3.81	198,288,480	3.63
Chung Oi Ling, Stella	3	206,340,000	3.96	206,340,000	3.78
Kwok Shek San	4	7,296,000	0.14	7,296,000	0.13
Hu Xiaoming	5	2,640,000	0.05	2,640,000	0.05
Public shareholders					
The Vendor		—	—	251,250,000	4.60
Public Shareholders		4,149,579,265	79.66	4,149,579,265	75.99
Total		5,209,312,745	100.00	5,460,562,745	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 399,764,000 Shares held by Grand Powerful Group Limited. Mr. Cheng Ming Kit personally holds 245,405,000 Shares.

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

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

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

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

LISTING RULES IMPLICATIONS

As 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 requirements under Chapter 14 of the Listing Rules.

BOARD'S APPROVAL

The Directors (including the independent non-executive Directors) consider that the Acquisition Agreement and its 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.

No Directors has a material interest in the Proposed Acquisition and the Board has approved the Acquisition Agreement and the transactions contemplated thereunder.

As Completion is subject to the fulfillment of a number of conditions precedent, the Proposed Acquisition may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms have the following meanings:

"Acquisition Agreement"	the sale and purchase agreement dated 10 August 2015 entered into among the Company, the Purchaser and the Vendor in respect of the Proposed Acquisition (as maybe amended or varied from time to time by an agreement in writing duly executed by the parties to the Acquisition Agreement)
"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
"CNG"	compressed natural gas
"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"	the completion of the sale and purchase of the Sale Share
"Completion Date"	the fifth Business Day following the date on which all of the Conditions have been fulfilled or waived or such other date as the parties to Acquisition Agreement may agree in writing, such date not being later than the Long Stop Date
"Conditions"	the conditions precedent to Completion, details of which are set out in this announcement
"Consideration"	the total consideration for the Sale Share
"Consideration Share"	the new Shares to be allotted and issued at the Issue Price by the Company in favor of the Vendor (or its nominee(s)) as part of the Consideration
"Director(s)"	director(s) of the Company

"General Mandate"	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 3 June 2015 to allot and issue up to 20% of the issued share capital of the Company as at the date of the annual general meeting
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) who is/are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
"Issue Price"	the issue price of HK$0.40 per Consideration Share
"L-CNG"	liquefied-compressed natural gas
"Last Trading Day"	7 August 2015, the last trading day preceding the date of Acquisition Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LNG"	liquefied natural gas
"Long Stop Date"	31 December 2015, or such other date as the parties to the Acquisition Agreement may agree in writing
"Material Adverse Change"	any change or effect, the consequence of which materially and adversely affects the condition (financial or otherwise), business, liabilities, results of operations, prospects and/or assets of any member of the Target Group or the Target Group as a whole
"Post-Completion Undertaking"	the undertakings of the Purchaser as set out in Acquisition Agreement
"PRC"	the People's Republic of China excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement
"Promissory Note"	the promissory note in the principal amount of HK$40,000,000 to be issued by the Purchaser to the Vendor and/or her nominee(s) pursuant to the Acquisition Agreement with nil interest and matures in three years from the Completion Date
"Proposed Acquisition"	the proposed acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
"Purchaser"	Goldlink Capital Limited, a company established under the laws of BVI which is a direct wholly-owned subsidiary of the Company

"Reorganisation"	the acquisition of the entire equity interest in Tai'an Transportation, which holds the entire equity interest in Shunchi Gas, by Shenzhen Changyiyou before the Completion Date
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Share"	the one share with par value of US$1 each in the share capital of the Target, representing 100% of the issued share capital of the Target
"Share(s)"	ordinary share(s) of HK$0.055 each in the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Changyiyou"	深圳長益有能源有限公司 (Shenzhen Changyiyou Energy Co. Ltd.*), a company established under the laws of the PRC on 30 June 2015 which is wholly owned by the Target
"Shunchi Gas"	山東省滕州市順馳燃氣公司 (Shandong Tengzhou Shunchi Gas Co., Limited*), a company established under the laws of the PRC on 16 May 2014 which will be an indirect wholly-owned subsidiary of the Target upon the completion of the Reorganisation
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tai'an Transportation"	泰安順馳燃氣運輸有限公司 (Tai'an Shunchi Gas Transportation Co., Limited*), a company established under the laws of the PRC on 26 June 2007 which will be an indirect wholly-owned subsidiary of the Target upon the completion of the Reorganisation
"Target"	Energy Shell Limited, a company incorporated in the BVI with limited liability on 2 July 2015 which holds the entire equity interest in the Target Subsidiaries
"Target Group"	the Target and its subsidiaries and upon the completion of the Reorganisation includes Tai'an Transportation and Shunchi Gas
"Target Subsidiaries"	the subsidiaries of the Target and upon the completion of the Reorganisation includes Shenzhen Changyiyou, Tai'an Transportation and Shunchi Gas
"Vendor"	Ms. ZHENG Xiuzhu (鄭秀珠), who owns the entire issued share capital of the Target and is an Independent Third Party as at the date of this announcement

"US$"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent.

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

Hong Kong, 10 August 2015

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, 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.

* *For identification purposes only.*