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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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF 25% INTEREST OF LEGON VENTURES LIMITED

THE DISPOSAL

The Board is pleased to announce that on 27 June 2016 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Company will seek Shareholders' approval at the SGM by way of poll for the Sale and Purchase Agreement and the transaction contemplated therein.

GENERAL

A circular, containing, among other things, further details of the Disposal and other information required under the Listing Rules in respect of the Disposal, and the notice of the SGM is expected to be despatched to the Shareholders on or before 19 July 2016.

As the Completion is conditional upon satisfaction of the conditions precedent as set out under the section headed "Conditions Precedent" in this announcement, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 27 June 2016 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares. A summary of the major terms of the Sales and Purchase Agreement are set out below:

SALE AND PURCHASE AGREEMENT

Date: 27 June 2016 (after trading hours)

The Vendor: the Company

The Purchaser: Tian Feng International Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, (i) the Purchaser together with its beneficial owner are Independent Third Parties; and (ii) the Purchaser is a company established in the British Virgin Islands and is principally engaged in investment holding.

Assets to be disposed of

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 25% issued share capital of Legon Ventures, free from all encumbrances and together with all rights now or thereafter attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date.

Consideration

Pursuant to the Sale and Purchase Agreement, the consideration for the Sale Shares shall be HK$16,500,000, which shall be satisfied by the Purchaser to the Company in the following manner:

(A) HK$2,000,000, being the deposit (the "**Deposit**") pending Completion and in part payment of the consideration upon Completion which shall be payable in cash within seven days after the signing of the Sale and Purchase Agreement;

(B) HK$4,500,000, being partial payment of the consideration, shall be payable in cash by the Purchaser to the Vendor within seven days after the Completion Date; and

(C) HK$10,000,000, being the balance of the consideration shall be satisfied by the Purchaser by the Promissory Note with a term of one year bearing no interest on the Completion Date with the following principal terms.

Issuer: Tian Feng International Limited

Principal amount: HK$10,000,000

Issue Date: Completion Date

Interest:	Interest-free
Default Interest:	A default interest at the rate of 12% per annum will be charged for any default payment
Maturity Date:	The date following one year from the Completion Date
Repayment:	The Purchaser shall make payment of HK$10,000,000 on the date following one year from the Completion Date.
Early Repayment:	The Purchaser may repay all or part of unpaid principal of the Promissory Note at any time without penalty. If and when such early payment occurs, the Purchaser shall promptly thereafter provide written notice to the Company as to the amount of principal, if any, that remains outstanding.

The consideration was determined following arm's length negotiations on normal commercial terms between the Company and the Purchaser by reference to the adjusted unaudited consolidated net asset value of the Legon Ventures Group of approximately HK$65,327,000 as at 31 May 2016 after taking into account the effects of the preliminary result of the valuation of the properties currently held by Legon Ventures Group performed by an independent firm of professional valuer.

The Board considers that the terms of the Sale and Purchase Agreement, including the consideration, are normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is conditional in all respects upon:

(A) Approval of Shareholders: the passing of an ordinary resolution of the Shareholders at the SGM of the Vendor by way of poll to approve the Sale and Purchase Agreement and the transaction contemplated thereunder; and

(B) Compliance of regulatory requirements: in relation to the transaction contemplated in the Sale and Purchase Agreement, all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with and satisfied.

All the above conditions (the "**Conditions**") are not capable of being waived.

If the Conditions are not fulfilled within six months after the date of the Sale and Purchase Agreement or such later date as agreed between the Vendor and the Purchaser, the Sale and Purchase Agreement shall be terminated with immediate effect, neither party shall have any rights nor obligations against the other under the Sale and Purchase Agreement except for any antecedent breach and refund of the Deposit received by the Vendor without interest.

The Vendor shall refund the full amount of the Deposit received by it, without interest, to the Purchaser forthwith if the Completion fails to take place due to the fact that the Conditions have not been fulfilled, or the Sale and Purchase Agreement is rescinded or terminated due to the Vendor's default under the relevant provisions of the Sale and Purchase Agreement.

Right of First Refusal

If the Vendor proposes to transfer part/all of its Remaining Interest to any third party within two years after Completion, it will give a written notice to the Purchaser and the Purchaser shall have the right of first refusal (the "**ROFR**") to acquire such interest on the same terms and conditions offered to any third party. The ROFR shall be exercisable within a period of 14 Business Days by giving written notice (the "**Acceptance Notice**") to the Vendor, failing which the ROFR will lapse automatically and the Vendor is entitled to sell such Remaining Interest to such third party. Subject to compliance of all applicable laws and regulations (including but not limited to the Listing Rules), the relevant sale and purchase agreement shall be entered into within 30 Business Days after the date of the Acceptance Notice (or such other date as may be agreed by the Parties).

Completion

Subject to the fulfilment of such Conditions, Completion shall take place on Completion Date at the office of the Vendor in Hong Kong, or at such other place and time as may be agreed by the Parties.

APPLICATION OF THE CONSIDERATION

The net proceeds from the Disposal will be approximately HK$16,000,000 (after deducting professional fees and expenses and including the proceeds from the repayment of Promissory Note) which will be utilized by the Company as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As disclosed in the announcement of the Company dated 4 September 2015, the business segment of sale of book and specialized products of the Group (the "**Printing Business**") is facing intense competition in the printing market. The revenue and gross profit of the Printing Business is constantly declining and therefore the Board has resolved to gradually fade out and discontinue the Printing Business. In year 2016, the Printing Business has received only limited orders from its customers and it is expected that the sales and gross profit from the Printing Business will further decrease for the year ending 31 December 2016.

In view of the above, the Board is of the view that it is in the interests of the Company and its Shareholders as a whole to realize through the Disposal the value of its interests in Legon Ventures Group, which has become a discontinuing business of the Group. In addition, the Disposal can bring in additional source of capital for the Group's business development and to capture other investment opportunities in the natural gas industry as and when they arise.

INFORMATION ON LEGON VENTURES GROUP

Legon Ventures is an investment holding company incorporated in the British Virgin Islands, which holds three wholly-owned subsidiaries, namely, Power Printing Products Limited (incorporated with limited liability in Hong Kong), Carta & Cuoio Company Limited (incorporated with limited liability in Hong Kong) and Power Printing (He Yuan) Co. Ltd (incorporated with limited liability in PRC), all of which are principally engaged in sales of book and specialised products.

The table below sets forth the financial information of Legon Ventures Group for the two years ended 31 December 2014 and 31 December 2015, which was prepared in accordance with International Financial Reporting Standards:

	For the year ended 31 December 2015	**For the year ended 31 December 2014**
	HK$'000 (audited)	*HK$'000* (audited)
Revenue	107,289	143,300
Net (loss)/profit before taxation	(14,305)	5,964
Net (loss)/profit after taxation	(14,305)	5,964

	As at 31 December 2015	**As at 31 December 2014**
	HK$'000 (unaudited)	*HK$'000* (unaudited)
Total assets	158,061	221,374
Total liabilities	92,751	139,389
Net assets	65,310	81,985

FINANCIAL IMPACT ON THE GROUP

Upon Completion, the Company and the Purchaser will hold 75% and 25% of the issued share capital of Legon Ventures respectively, and Legon Ventures will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the Group's consolidated financial statements.

Subject to review by the Company's auditors, based on the consideration of HK$16,500,000, it is expected that no gain or loss will be recognised by the Group as a result of the Disposal.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) sales of natural gas and other related products and (ii) sales of books and specialised products.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Company will seek Shareholders' approval at the SGM by way of poll for the Sale and Purchase Agreement and the transaction contemplated therein.

GENERAL

The SGM will be convened and held to consider and, if thought fit, to pass the relevant resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular, containing, among other things, further details of the Disposal and other information required under the Listing Rules in respect of the Disposal, and the notice of the SGM is expected to be despatched to the Shareholders on or before 19 July 2016.

As the Completion is conditional upon satisfaction of the conditions precedent as set out under the section headed "Conditions Precedent" in this announcement, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITION

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

"Board"	the board of Directors;
"Business Day(s)"	a day on which banks are open for business in the ordinary course, other than Saturdays, Sundays and public holidays;
"Company" or "Vendor"	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"	completion of the Disposal pursuant to the Sale and Purchase Agreement;
"Completion Date"	the fifth (5th) Business Day after fulfillment of all the Conditions, or such other date as the Company and the Purchaser may agree;
"Director(s)"	director(s) of the Company;
"Disposal"	the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement;
"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)"	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
"Legon Ventures Group"	the group of companies consisting of Legon Ventures and its subsidiaries;

"Legon Ventures"	Legon Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liabilities;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Parties"	the named parties to the Sale and Purchase Agreement and "Party" means either of them;
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
"Promissory Note"	the promissory note in the principal amount of HK$10,000,000 equivalent to and for the purpose of settling the balance of the consideration pursuant to the Sales and Purchase Agreement;
"Purchaser"	Tian Feng International Limited, a company incorporated under the laws of British Virgin Islands;
"Remaining Interest"	the remaining interest of Legon Ventures other than the interest in the Sale Shares;
"Sale and Purchase Agreement"	a sale and purchase agreement dated 27 June 2016 entered into between the Company and the Purchaser in relation to the Disposal;
"Sale Shares"	10 issued and fully paid Legon Ventures Share, representing 25% issued share capital of Legon Ventures, to be bought and sold pursuant to the Sales and Purchase Agreement;
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transaction contemplated thereunder;
"Shareholder(s)"	the shareholder(s) of the Company;
"Shares"	ordinary share(s) of HK$0.055 each in the issued share capital of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"HK$"	Hong Kong dollars, the dollar unit in the lawful currency of Hong Kong;
"%"	per cent.

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

Hong Kong, 27 June 2016

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 directors of the Company are Ms. Chung Oi Ling, Stella and Mr. Zhi Xiaoye; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew and Mr. Ma Arthur On-hing.